



GOVERNMENT OF SIERRA LEONE

**REPORT OF THE PUBLIC ACCOUNTS
COMMITTEE ON THE REPORT OF THE
AUDITOR GENERAL ON THE ACCOUNTS OF
SIERRA LEONE FOR THE FINANCIAL
YEAR 2012**

**SUBMITTED BY
HON. CHERNOR R. M. BAH
CHAIRMAN PUBLIC ACCOUNTS COMMITTEE**



Government of Sierra Leone

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LIST OF ACRONYMS

MDA	Ministries, Departments and Agencies
NRA	National Revenue Authority
SLRTA	Sierra Leone Road Transport Authority
AG	Accountant General
MoFED	Ministry of Finance and Economic Development
ASSL	Audit Service Sierra Leone
PV	Payment Voucher
NCB	National Competitive Bidding
RFQ	Request for Quotation
AGD	Accountant General's Department
VC	Vote Controller
FS	Financial Secretary
CRF	Consolidated Revenue Fund
MTEF	Mid Term Expenditure Framework
MMMRK	Mineral of Mines and Mineral Resources Kenema
PS	Permanent Secretary
GST	Goods and Services Tax
BOQ	Bill of Quantities
NAO	National Authorising Office
ECOWAS	Economic Community of West African States
UNICEF	UN International Children Emergency Fund
HM	Hospital Manager
ACC	Anti- Corruption Commission
MS	Medical Superintendent
FMR	Financial Management Regulation
DMO	District Medical Officer
CMS	Central Medical Stores
FO	Financial Officer
PCMH	Princess Christian Memorial Hospital
PHU	Peripheral Health Unit
MMO	Mines Monitoring Officer
GGDO	Government Gold and Diamond Office
NPPA	National Public Procurement Authority
NASSIT	National Social Security and Insurance Trust
SVP	Secretary to the Vice President
VP	Vice President
IG	Inspector General
ASA	Audit Service Act
NRS	National Registration Secretariat
HRMO	Human Resource Management Office
CIO	Chief Immigration Officer
RIO	Regional Immigration Officer
MCK	Magistrate Court Kenema

PAYE
MDK
DHMT

Pay as You Earn
Ministry of Defence Kenema
District Health Medical Team

BACKGROUND

Mr. Speaker, Honourable Members, the Public Accounts Committee (PAC) of the Sierra Leone Parliament has the mandate to examine the annual accounts showing the appropriation of funds granted by the House to meet public expenditure together with the reports and special reports of the Auditor General. Section 119 (2) of the 1991 Constitution of Sierra Leone require the Auditor General to submit a report to Parliament on the audit of the Annual Public Accounts within twelve months of the year end immediately preceding financial year drawing attention to any irregularities in the accounts. When the report is submitted to Parliament, it is passed unto the PAC to enquire, where relevant public officers provide evidence to form the basis of the PAC report back to the House of Parliament to comply with Standing Order (SO) 75 and provide a solid step towards social accountability in the use of public resources.

Mr. Speaker, Honourable Members, the Public Accounts Committee held public hearings from the 14th February -27th June, 2014 into concerns raised in the reports of the Auditor General 2012 about the unlawful use of public funds and other irregularities in the allocation of public funds that occurred in a number of Government Ministries, Departments and Government-owned enterprises for the period under review.

Mr. Speaker, Honourable Members, public servants who appeared before the Committee included Permanent Secretaries, Director Generals, Directors, Finance Officers, and some Retired Public Officials. It is one of the principal roles of the Public Accounts Committee to make a follow up on the recommendations made by the Auditor General and to ensure that they are fully implemented. Hence, the need to hold public hearings with authorities concerned.

METHODOLOGY

Mr. Speaker, Honourable Members, the Committee receives and examines the Auditor General's reports on the Accounts of Sierra Leone for the year 2012 on Ministries, Departments and Agencies which pursuant submitted under Section 119(4) of the Constitution was laid before Parliament on the 18th December, 2013. Technical officers from the Auditor General's Office and Accountant General assisted in the hearings and deliberations of the Committee that formed the contents of this report. In examining the accounts, the Committee interfaced with Accounting Officers and their technical teams to respond to the queries raised in the audit reports and the recommendations of the Auditor General thereto.

COMPOSITION OF THE COMMITTEE

Mr. Speaker, Honourable Members, the Committee comprised of Eleven Members of Parliament, who are appointed by the Committee of Selection on the basis of the strength of their

political parties in Parliament. The Chair of the Committee is a Member of the ruling party but the Deputy Chair is a Member of the main opposition party. Every effort was made to maintain objectivity in its findings and recommendations, to achieve a consensus during debates and to avoid adopting political position. The final report thus produced reflects this consensual and non-partisan approach.

MEMBERSHIP

Mr. Speaker, Honourable 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

STAFF

Mr. Speaker, Honourable Members, the Committee was supported by a Clerk, who did the paper work and advised the Chair and Members on the necessary parliamentary practice and procedures. He identifies the appropriate officials and experts that were required to attend meetings of the Committee.

THE AUDITOR GENERAL'S OFFICE

Mr. Speaker, Honourable Members, the PAC works in collaboration with the Auditor General's office empowers Parliament to be an effective guardian of the public purse on behalf of the citizens of Sierra Leone. Under the Constitution the Auditor General and Audit Service Sierra Leone are responsible for the audit of public expenditure. They provide an independent opinion on how the Government has used public resources. It produces the reports that the PAC examines during the course of its work.

They advise the Committee regarding the findings of the reports that are submitted to Parliament and are invited to attend the hearings of the Committee as expert witnesses and to support the Committee in its deliberations.

Mr. Speaker, Honourable Members, the following staff of the Audit Service provided technical assistance to the Committee during the course of the hearings:

- | | | | |
|----|--------------------------|---|---------------------------|
| a. | Mrs Lara Taylor-Peace | - | Auditor General |
| b. | Mr. Vidal Paul-Coker | - | Deputy Auditor General |
| c. | Mr. Abdul Aziz | | Deputy Auditor General |
| d. | Mr. Tamba Momoh | - | Deputy Auditor General |
| e. | Mrs. Adama Rena | - | Deputy Auditor General |
| f. | Mr. Morie Lansana | - | Principal Auditor |
| g. | Mr. Aiah Gbondo Tugbawa- | | Assistant Auditor General |
| h. | Mr. Alfred Saffa- | | Principal Auditor |
| i. | Mrs. Melinda Dixon- | | Auditor |
| j. | Mr. Conneth John- | | Audit Assistant |

OBJECTIVES OF THE COMMITTEE

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

- To Parliament hold the Executive to account;
- To increase the efficiency and effectiveness of Government policy implementation; and
- To help increase Parliamentary and public awareness of the financial and related operations of Government.

GENERAL OBSERVATIONS

Mr. Speaker, Honourable Members, the Committee observed the following during the course of the hearings:

- Management letters/queries were not responded to within 30 days as stipulated by the Audit Service Act, 1998.
- Progress has not been made by a number of institutions to meet the deadline for the submission of their annual financial accounts to the Auditor General for audit purposes.
- Some Ministries, Departments and Agencies failed to submit their Annual Financial Accounts for auditing on the prescribed dates i.e. for the year ended 31 December, in contravention of the provisions of the Government Budgeting and Accountability Act of 2005 as amended.

- Weaknesses were identified in the internal control system in the accounting functions and procedures. Photocopies of accountable and relevant supporting documents such as payment vouchers were not retained for audit purposes contrary to the provisions of the Financial Orders.
- Accounting manuals, revenue receipt books in the case of revenue generating institutions, Fixed Assets Registers and Inventory Ledgers were not maintained by most Ministries/Departments and Agencies (MDAs) and Public Enterprises.
- In non-compliance with International Public Sector Accounting Standards (IPSAS), other Standard Accounting Manuals and other Accountable Documents, it has been very difficult for particularly MDAs to implement accurate and reliable accounting procedures, keep track of office equipment and other related items bought, and to ensure that stores items in the custody of the store-keepers are signed for before they are put into use.
- Financial rules and regulations such as the “Public Budgeting and Accountability Act”, the Financial Orders, Store Rules etc. were not strictly adhered to

FINANCIAL RECOVERY BY THE COMMITTEE UNDER THE PERIOD OF REVIEW

Mr. Speaker, Honourable Members, PAC has made tremendous gains in the period under review. At the end of the detailed deliberations on the Auditor General’s Report for the financial year 2012, the Committee recovered to the region of **Le 600,000,000.00** from institutions who withheld taxes without paying them to the National Revenue Authority and contributions to the National Social Security and Insurance Trust. This amount has been paid to the various authorities receipts are held at the Auditors General’s Office.

1. THE PUBLIC ACCOUNTS/FINANCIAL STATEMENT OF SIERRA LEONE

ACCOUNTANT GENERAL DEPARTMENT

The Auditor General issued her report on the Public Accounts of the Government of Sierra Leone in accordance with Section 119(2) of the Constitution of the Republic of Sierra Leone 1991 and Sections 62 to 66 of the Government Budget and Accountability Act of 2005.

“The Financial Statements are an expression of the Government’s accountability to Parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse. It is a basic tenet of our system of government that no revenue or expenditure may be collected or spent except as authorised by a parliamentary vote. Therefore the Public Accounts are a report on the extent to which the Government has complied with the intent of Parliament.

The most significant outcome from my audit work for 2012, has been the issuance of an Adverse Opinion on the Financial Statements of the Government of Sierra Leone. It is my professional judgment that this was appropriate in the circumstances”.

A few words on the types of audit opinions and the differences between them may be helpful to the non-technical reader. The short-form Auditor’s Report, in this instance, an Adverse Opinion, is an expression of the auditor’s professional judgments and its prescribed form is dictated by international standards and good practice recognized around the world by public and private audit practitioners. I may issue an unqualified or modified opinion on the accounts. Modified opinions are classified as either an adverse opinion or a disclaimer of opinion. An unqualified opinion, the most desirable, arises where the financial statements provide a true and fair view of financial position and performance. An adverse opinion, which sits in the middle of my options - is issued where the auditor has sufficient and appropriate audit evidence of a material and pervasive nature that the Financial Statements do not present a true and fair view. A disclaimer of opinion, the least desired, is considered more serious than an adverse opinion and arises where the auditor does not have sufficient and appropriate audit evidence to form an opinion, one way or the other, to make a judgment on the Financial Statements. Last year (2011) I issued a disclaimer of opinion. This year I have issued an adverse opinion which, while very serious, does signify an improvement of sorts over the previous year, albeit only a slight improvement. It implies that there has been progress in the quality of audit evidence available to my staff even though there continue to be matters of the gravest concern that negatively impact the Financial Statements. All of the matters raised in my Adverse Opinion above are developed and commented upon more completely below including my view that Note 2(a) to the Financial Statements, referring to the basis of preparation of the accounts as being in compliance with international standards, may well be misleading to readers.

Unfortunately in recent years adverse, disclaimers or qualified opinions on the Public Accounts have been the norm in Sierra Leone. Neither this year’s adverse opinion nor last year’s

disclaimer of opinion should be taken lightly and it is unfortunate that despite my concerns expressed repeatedly in Annual Reports, some of the key issues raised remain largely not acted upon in whole or in part. While public financial management is gradually improving, in matters of internal control around procurement, some aspects of banking and cash management, of both the expenditure and revenue, very serious weaknesses continue to plague the public sector especially in Ministries, Departments and Agencies (MDAs).

Basis of Preparation of the Public Accounts

It was reported in the Public Accounts that International Public Sector Accounting Standards (IPSAS) Accrual Standard were used in preparing the Public Accounts with some exceptions. The exact wording is ‘where practicable’. It is also stated that in cases where IPSAS was not used, appropriate International Financial Reporting standards (IFRS) were applied. However the Accountant General stated that revenues were reported in the period in which they were received and expenditure for Government operations were recognised when goods and services were received. Our audit tests revealed that these standards were not complied with and partial compliance – the ‘where practicable option’ – cannot be permitted under the standard.

As we noted last year, a basic tenet of all financial reporting, whether in the private or public sectors, is to have a clear view on the boundaries of the accounting entity – what is it we are reporting upon. It needs to be defined clearly. The principle driving public sector accounting is that it should be on a whole of government basis. Defining ‘whole of government’ can be challenging and becomes complex when considering, for example, how to include State-owned enterprises but it is self-evident that all MDAs should be included. On any basis of accounting it is axiomatic that all bank accounts and other cash balances should be included. Yet for the Public Accounts in Sierra Leone this was not the case as noted by the exclusion of certain transit accounts.

In as much as some bank accounts and balances in transit accounts used by the NRA are not part of the Public Accounts there is a significant deviation from the whole of government principle that renders Note 2(a) untenable. Similarly the references to IPSAS Accrual Standards, there are over 30 of them – also makes Note 2(a) untenable and incorrect. The balances recorded in the bank statements are not always accurately reflected in the Public Accounts nor, for the most part, is there any reconciliation of the differences. This latter point is raised again below.

The Auditor General noted repeatedly throughout this report a failure to observe the most basic control over cash and bank balances, which is that there should be monthly reconciliation of bank statements to accounting records. The implementation of IFMIS, the centralised computer-based accounting system, was a major achievement of public sector reform in Sierra Leone. However, reports emanating from it are only as accurate and reliable as the information contained in its databases. It therefore begs the question if the cash and bank balances are not under control how reliable is financial reporting under any basis let alone a cash basis. A solid

grasp of and a clear definition of the basis of preparation of the Public Accounts sits at the very core of improving the accuracy and completeness of government accounting and financial reporting and needs to be clarified for the Government of Sierra Leone. Without this, capacity building interventions for achieving better financial reporting are destined to fail.

Officer Response: the Accountant General told the Committee that modalities are being put in place to comply with IPSAS as far as is practicable.

The Committee

The Committee was not satisfied with this answer and therefore recommends that steps should be taken by the Accountant General to prepare the Public Account in compliance with internationally acceptable standards.

Cash and Bank

There has been a considerable improvement in terms of the number of audit confirmations of balances received from commercial banks. We received direct confirmations from all nine commercial banks disclosed in the account – a rare 100% response. The total of Le 193,846 million was presented as cash and bank balances with commercial banks for the year 2012. This is a marked improvement compared to last year when only 51% of the total was confirmed directly by the banks.

However, this reveals that discrepancies between the confirmed balances and the disclosures in the Public Accounts. For instance, although we received confirmations from all nine banks namely: Access Bank, Sierra Leone Commercial Bank, Guaranty Trust Bank, Union Trust Bank, Rokel Commercial Bank, Standard Chartered Bank, First International Bank, Eco Bank, United Bank of Africa and PHB Bank, the amounts confirmed were not those disclosed in the Public Accounts. The unconfirmed bank balances totalled Le1.3 billion.

Conversely, the Auditor General notes that a total of Le 18.6 billion was included in the confirmation letters of the respective banks, but this was not part of the ledger account balances that are recorded in the Public Accounts. We were unable to obtain an explanation for the non-inclusion and the differences noted. We noticed too that, as in 2011, opening departmental cash and bank balances were written off as prior year adjustments. The officer in charge of recording these balances explained, as he did also in 2011, that that treatment was because of the inconsistencies of Departments in submitting their financial returns to the Accountant General's Department.

Upon review of a sample of four Treasury bank reconciliation statements to confirm whether they agreed with the Bank Balances and General Ledger Account Balances, it was observed that adjustments were recognised in the Bank Reconciliation Statements throughout the year. Some were recognised as withdrawals and others recognised as lodgments. For instance, in the December Bank reconciliation, an amount of Le2.4 billion was recognised as a withdrawal in the

other charges account and Le11 million in salaries account. However, with the exception of credit being made in the other charges bank account to reverse a previous double debit, there were no supporting documents to substantiate the other adjustments.

From our review of Note (3), Balances with Central Bank, we noted that balances in respect of Departmental Accounts disclosed in the Public Accounts were bank statement balances instead of cash book balances as was in the case of other balances with the Central Bank. Samples of 10 account balances were selected. This gave a total cash book balance of Le 2.3 billion and a total bank statement balance of Le 2.7 billion. This inconsistency in the recognition of account balances in the account has led to a misstatement of Le 0.5 billion.

Auditor General is pleased to see MoFED and the Accountant General's Department addressing the creation and existence of bank accounts through a project considering the adoption of the Treasury Single Account (TSA) concept on which we comment further below. We also understand that as part of the TSA project, the over 1,000 bank accounts in the government's name have been inventoried and placed in a database. My office has never been provided with a comprehensive listing of these bank accounts despite many requests over the years. Now that a comprehensive list has been created, we want a copy of the database and will be formally requesting same.

***Official Response:** We note your findings and accept your recommendation; we will adjust the accounts accordingly. For more punitive action will be taken to enforce the banks to respond and on time. We further noted you that these bank balances relate to Subvented Agencies which have been incorporated in the accounts base on their financial reports submitted. As their cash book balances were used there is bound to be a difference between cashbook balance and bank balance which can be explained by the reconciliation statement and this is available for inspection. However any omission relates to those that did not submit reports therefore we will adjust the accounts accordingly.*

The Committee

The Accountant General should inform the Commercial Banks of the implications of their failure to respond to third party confirmation requests. An explanation should be given in respect of why some of the accounts listed in the schedule presented for audit were not disclosed in the Public Accounts. A review of the list of accounts confirmed by commercial banks that are not disclosed in the financial statement should be done and consideration given to adjust the accounts to incorporate these balances.

Government Record Keeping (Other Charges)

There has been some improvement in the storing and retrieval of records. A Store and Record Centre situated at the Accountant General's Department has been renovated. The audit team selected a total sample of 2,231 payment vouchers from 26 MDAs valued at Le751 billion from a population of 6,560 valued at Le836 billion. We are able to report that all 2,231 vouchers were

presented with minimum delay. Supporting documents such as invoices, delivery notes, certificates of completion, or other relevant documents were attached in most cases. The statutory authority of the Accountant General's Department to review payment vouchers and their supporting documents prior to payments being made is set down in Section 81(1) of the Financial Management Regulation which states that: "The Accountant General or authorized officer shall before making any payment against a voucher, check that (a) the voucher is properly supported by the prescribed documents; (b) the documents are attached to the vouchers and are correct and complete in every particular..." The documents should then be filed appropriately to maintain an adequate audit trail. However, we noted from our review of the sample of Other Charges that 126 vouchers valued at Le 12 billion were without supporting documents. This represents 1.6% of the total Payment Vouchers examined.

Official Response: This is not correct as it is impossible to make payments without supporting documents The Central Bank will not affect payments where supporting documents do not exist especially in the case of Bank transfers.

The Committee

The Committee recommends that all supporting documents must be attached to batch headers/payment vouchers and any other relevant supporting documentation for audit verification within two weeks after the adoption of this report by Parliament.

Project Implementation Units Included in the Public Accounts

From our review of the Financial Statements, we observed that balances in respect of Project Implementation Units (PIUs) and Subvented Agencies were recognized in the Financial Statement but that the balances were not accurately stated. We also came to the conclusion after a review of the financial statements that PIUs did not consistently report to the Accountant General, thereby leading to incomplete amounts being presented for consolidation.

We were unable to ascertain the accuracy of some of the adjustments made to the accounts in relation to PIUs and Subvented Agencies. For example, we noted that PIUs and Subvented Agencies' closing balances of 2011 amounting to Le4,768 million and PIUs creditors of Subvented Agencies for 2012 amounting to Le2,983 million were written off as prior year adjustments in the 2012 accounts. In addition, from a review of Note 4, Cash and Bank Balances with the Commercial Banks, to the Financial Statements, we observed that balances in the accounts in respect of PIUs and Subvented Agencies represented the total of bank balances held at various commercial banks that have submitted financial reports for the year 2012. Those PIUs that did not report for the period under review were not reported in the accounts and so the balances are incomplete in the financial statements.

Miscellaneous Debtors and Investments

A review of the Miscellaneous Debtors and Debtors-Privatisation revealed the following:

□ A review of the loan agreement relating to SALPOST revealed that interest at a rate of 20% per annum, as stipulated in the agreement, was not computed and recorded in the financial statements. In addition, the amounts recognised in the accounts was Le 753 million while the amount in the agreement and other correspondence amounted to Le 774 million, thereby understating the loan amount by Le 20.8 million. If, as claimed, the Financial Statements were on an IPSAS Accrual basis then a failure to calculate the interest due would, from a purely accounting perspective, have resulted in an understatement of revenue.

□ A review of the debtors schedule, financial statement and loan agreement showed that there were no recoveries made during the year from Bumbuna Hydro Electric Project, SALPOST and GumaValley Water Company.

***Official Response:** We note your finding relating to the loan to Sierra Rutile and we will adjust the accounts accordingly. As regards ageing debts, your recommendations will be communicated to the Public Debt Unit for an assessment of the likelihood of these debts being recovered for us to be able to make adequate provisions for irrecoverable debts. Also as regards GAVA Ltd, NCP has confirmed that the Commission has instituted legal proceedings for the recovery of the balance due. On the loan to Bumbuna, this has been in the account for a very long time and has been audited in previous accounts.*

The Committee

The Committee recommends that:

- ***Loan agreement relating to Bumbuna Hydro project must be made available for audit inspection.***
- ***All necessary adjustments should be made to the financial statements so that the financial statements would be presented fairly in all material respect.***
- ***With respect to ageing debts, adequate provision should be made for possible irrecoverable debts.***
- ***An explanation of the difference of Le 2,000 in the schedule submitted by NCP must be provided.***
- ***An explanation as how the figure of Le 16,056 million was arrived at by officers at NCP must be proffered.***
- ***An explanation in respect of how the Government shares of the dividend to be accounted for must be proffered.***

All of the above must be complied with in not more than 30 days after the adoption of this report by Parliament, failing which the office of the Accountant General must take full responsibility for the recovery of the sums involved.

External Public Debt

Debt Management servicing is approximately 30% of the annual recurrent budget and therefore of significant value and material in audit terms. The public debt liability is a major government liability and a key sustainability issue for GoSL. It requires comprehensive, accurate and timely records for good management. The audit requirement is to see that the transactions in public debt, namely, income (loan disbursements by the lender) and payments (debt service) by GoSL are accurately and completely recorded in the accounts. In addition we are required to verify that the outstanding public debt liability on the financial statements is accurately computed and appropriately disclosed. However, because of the significance of this account balance on the financial statements, my auditors carried out extensive work on this area to ascertain that the amounts disclosed are correctly stated.

Audit findings in this area were: Confirmations from third Parties, out of a total External Debt of Le.3.3 trillion, the amount directly confirmed by creditors totalled Le2.5 trillion which is 75% of the total. This compared to 2011 direct confirmations of 28% is considered to be a significant improvement. Direct confirmations were received for the following five creditors: Kuwait Fund for Arab Economic Development, Ecowas Bank for Investment and Development, Import & Export Bank of China, Saudi Fund for Economic Development and the Arab Bank for Economic Development in Africa. Amount confirmed but incorrectly recorded in the accounts, an amount of Le42 billion in accrued interest should have been included but was omitted from the accounts. In addition, from the confirmations received, one of the main creditors, World Bank/IDA, confirmed an amount of Le 1.5 trillion but this amount was understated in the accounts by Le 11 billion. Understatement of Commercial Creditors in the accounts, from our review of the schedule of commercial creditors it was observed that an amount of Le 967 billion was understated in the accounts by Le 30.6 billion.

Inconsistencies in the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) Report, report 52 produced by CS-DRMS by the Bank of Sierra Leone, purports to be the comprehensive roll-forward schedule of all active external public debt. The report did not include correct amounts for movements during the year. This means that apart from the opening and closing balances, the amounts for disbursements, principal repayments and interest were inaccurate. From a sample drawn of loans denominated in US Dollars with no capital repayment we observed a difference of \$3,166 million (Le13,859 million) between the re-computed amounts and the amounts disclosed in the financial statement.

Computation Exchange Gain/Loss, the method of computing the exchange gain/loss on external debts was also a concern as the general rules in computing exchange differences set down in generally accepted accounting principles (GAAP) were not employed(i.e. use of spot rates and

balance sheet date rates). An Audit examination of Note 18 (External Public Debts) revealed that this amount was arrived at simply by comparing the external public debt schedule submitted by the Bank of Sierra Leone and the schedule prepared by the Accountant General's Department. In our view, if any of the schedules were incorrect, the error would be absorbed in the exchange difference computation. Hence we were unable to certify that the exchange difference of Le122.5 billion was correct. Because of the limited information, we were unable to recompute the exchange difference.

CS-DRMS and the Financial Statement, an initial comparison of the CS-DRMS and the schedule of Disbursed Outstanding Debts proved that the balance for external public debts recorded in the financial statements was misstated by Le44.2 billion. After adjustments were made to the CS-DRMS by officials of the BSL and Public Debt Management Department (PDMD) to meet this shortage, the main loan (Rural Infrastructure Development Project-ADF -) initially understated by Le26.9 billion was omitted. The omitted amount stood at Le 40.7 billion (SDR6,109,948). Furthermore an amount relating to SFED Western Area Power Generation Project Phase 1 was found to have been changed in the CS-DRMS to match with the amount in the financial statements rather than the other way round. The original amount in the CS-DRMS was SDR 3,818,883 and it was changed to SDR 5,777,354.

Amount in the CS-DRMS but not in the Financial Statement, it was also discovered from our initial review of the financial statement that 11 debts totalling Le272 billion were in the CS-DRMS but not disclosed in the schedule of debtors in Appendix G of the accounts. In a response from PDMD we observed the existence of seven of these loans after Appendix G had been updated. Four of these loans amounting to Le8.5 billion cannot be traced to the financial statements.

Loans disbursed in 2010 and 2011 but recorded in 2012 in CS-DRMS, from our initial observations amounts totalling Le105.7 billion were loans disbursed in 2010 but the transaction was only recorded in CS-DRMS in 2012. These loans were only updated after our initial query. Upon investigation we were told by PDMD officials that they did not upload these debts because disbursement data in respect of the affected loans had not been received by the time the audit of 2011 was concluded; once received in 2012 the CS-DRMS was updated to reflect this.

ASSL Review of CS-DRMS, CS-DRMS is a globally recognized public debt management system promoted by the Commonwealth Secretariat and installed in over 60 countries worldwide. Many of the problems encountered in the 2012 audit of Public Debt associated with CS-DRMS also occurred in 2011. As result of the bad experience in 2011, during the first quarter of 2013 a senior staff member of ASSL assisted by an international expert in both IT and the CS-DRMS application conducted a review of the system and its management. Put simply, the system was not being used as designed and is located in the wrong institution. The output and associated

recommendations from that review have to date been wholly ignored by MoFED and the other parties. Had the recommendations been followed, the colossal problems encountered in accounting for public debt – and auditing it - may have been reduced and the serious misstatements in the accounts avoided.

CS-DRMS is in use but currently only for foreign debt and is presently located at the BSL although during the review we were told of agreed plans to relocate it to the PDMD for them to better manage public debt. At the time of the review there was a link from BSL to PDMD but neither was working.

The CS-DRMS system should be a complete and up to date record of public debt (foreign and domestic) showing loan agreements (memorandum entries), disbursement requests (memorandum entries), actual disbursements and debt service payments for foreign debt, together with summarised or detailed domestic debt instruments receipts and repayments.

Foreign Debt - The Minister of Finance is responsible for undertaking all foreign loan agreements which should be approved by Parliament. The Accountant General controls all government-related bank accounts. MLPD who manages disbursements receives requests from projects for approval which are submitted to a committee (except World Bank disbursements) before submission to the lenders. Disbursements subsequently are to project bank accounts or may be direct payments from the lender to project contracted companies, etc. Disbursement can be difficult to track but are a key part of reconciling the foreign debt accounts.

Debt service payments for foreign debt loans are easier to manage as they are approved by the Accountant General (after initial work by BSL) for submission to BSL for settlement in the various currency denominations as determined by the loan agreement and the settlement payments charged to the government bank account (with BSL charges).

Domestic Debt - Domestic debt funding is handled by the BSL who manages overdrafts and issues Treasury Bills (at a discount) following auction with repayment upon maturity at full value. These are short-term Bills on 91, 182 and 364 day terms. Treasury Bonds are issued typically for longer periods with interest payable periodically or upon maturity repayment.

Accounting for Public Debt - Presently journalising of debt transactions is carried out at the end of each year which is unsatisfactory in reflecting the transactions in the accounts in a timely way. Transactions should be journalised as they happen. As we have discovered, the present arrangement creates a year-end bottleneck, delay to accounts completion and reconciliation/verification issues to resolve. The finalised accounts for public debt need to be supported by documentary evidence from lenders, projects, etc.

Recommendations - The recommendations made earlier in 2012 and clearly ignored are repeated here and we strongly urge that they be addressed by MoFED and BSL, as appropriate. We will be conducting a follow-up audit on this and other matters related to the Public Accounts in 2014.

Up to date debt records. Improved, composite and timely debt records should be established in the CS-DRMS computer system. This should include both foreign and domestic debt.

Improved communication; there needs to be better and timely communication between stakeholders of requisite information, particularly in regard to loan disbursements, to maintain the comprehensive public debt records.

Computer system. The system is located in the wrong place. It should be moved to PDMD as soon as possible with the link from BSL reactivated to permit access by the central bank.

Journalising into accounts; monthly journalising of all public debt that has not occurred on a transactional basis (e.g. debt service, loan disbursements to GoSL, domestic debt receipts/payments can be identified on transactional basis) for both foreign and domestic debt. This needs to be established without further delay.

Reconciliation; monthly reconciliation between CS-DRMS debt records and IFMIS accounting position involving the key stakeholders is an essential element of internal control.

Verification; regular verification with lender statements against CS-DRMS debt record should be established preferably with appropriate segregation of duties to optimise internal control.

Meetings of stakeholders; monthly reconciliation meetings should be introduced. This would avoid the year-end “task” and better adhere to modern financial requirements of up to date accounting information (i.e. accounting record reconciled with CS-DRMS debt record which in turn is verified to lender statements).

Procedures; Clear written procedures prepared and distributed (especially to both MDA and projects) indicating requisite public debt arrangements, use of authorised bank accounts, and project financial requirements and timetabling.

Grants; A review of procedures associated with donor grants but which do not form part of public debt, but should however be undertaken to ensure sound utilisation of funds and adherence to financial standards. This may usefully be cross-referenced to the STA project.

Official Response: We note your findings and wish to inform you that request for confirmation by external creditors has been sent and responses have also been communicated directly to you. Issue relating to roll-forward schedules- External debt data is housed in the Commonwealth Secretariat Debt Recording and Management Systems (CS-DRMS) application which contains over 50 types of report. The specific report (with certain attributes) requested by the Auditor is not among the standards in the system and has to be developed following consultations with the Commonwealth Secretariat. Some creditors have an online database which PDU use to reconcile the debt books of Government and creditors` statement. PDU has assured us that

regular reconciliation will be done in the future. Not all of the loan disbursements were spent on goods and services, some balances may remain in bank accounts and this treatment best suit the circumstances. The effect of the treatment of the loan disbursed amounting to Le 444,820 million is consistent with previous treatment certified by you over the years and have the same effect in the account as your recommendation.

The Committee

The Committee recommends that:

- *Requests for confirmation of external debts should be sent to the various External Creditors on time to facilitate the early receipt of responses.*
- *The differences noted in the schedules prepared by the Committee should be investigated by Officers in the Public Debts Unit and if necessary adjustments should be made to the Public Accounts.*
- *Regular reconciliation exercises should be done, comparing the debt figures in the Government books and the figures in the creditors' statements.*
- *Disbursement must be reclassified as expenses in the Statement of Financial Performance.*
- *Exchange differences should be computed with reference to exchange rate ruling at reporting date and spot rates used when the transaction occurred.*

Payroll

Employees without NASSIT Numbers; 2,981 employees on the payroll did not have National Social Security and Insurance Trust Numbers. Upon further enquiry no convincing explanation was given to us.

Salaries paid to retired staff; salaries totalling Le96.7 million were paid to retired staff. Their names were yet to be deleted from the payroll. We were told that the names of employees can only be deleted from the payroll "When the retirement file is sent from the MDA whose staff is affected to the Accountant General". In addition, the payroll system had no built-in detection or prevention controls to prompt the imminent retirement of staff or to stop the salaries of staff.

Employees above Retirement age but still in the payroll; 587 staff members of the civil service were above the retirement age and documents, to justify their continued employment, were only provided for 27 meaning that documentary evidence was not provided for the remaining 560.

Employees without Designation; there were 47 staff on the payroll system whose designations cannot be ascertained, i.e. the purpose for which they were employed and their current positions.

The Committee

The Committee strongly recommends that the Human Resource Management Office should investigate this matter and institute necessary measures to sanitise the payroll system.

2. MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT (2012)

Review of Fuel Management

The Ministry of Finance and Economic Development had no fuel policy that determined the level of personnel entitled to fuel and the quantity on a daily or monthly basis.

Official's Response

The Principal Deputy Financial Secretary stated that the fuel policy, an extraction of the general fuel policy of all the MDAs, was available at the Ministry.

The Committee

The Committee recommends that steps must be taken immediately to develop a fuel policy in a bid to effectively and efficiently manage the fuel supplied to the Ministry.

Fuel Reconciliation not Properly Carried Out

Reconciliations between the Ministry and National Petroleum Filling Station were not properly done during the period under review. Reconciliations were done without records from the Fuel Station.

The Committee

The Committee recommends that reconciliations must be done between the records maintained by the Ministry and the Fuel Station, to enhance efficiency, accuracy and effectiveness of handling government resources. This must be done immediately as a matter of urgency after the adoption of this report by Parliament.

Approved Vehicles without Life Cards

The names on six(6) life cards were different from the names on the approved list of vehicles. Twenty eight (28) of the approved vehicles to which fuel were issued during the period did not have life cards.

The Committee

The Committee recommends that the discrepancy between vehicle owners, and life cards should be regularized immediately.

Requisitions not raised for Fuel Issued

A total of 2,833 litres of fuel equivalent to Le12,757,500 was given out to staff of MOFED without requisition. The names of the personnel requesting for fuel and the reasons for the request were not stated on the requisitions.

The Committee

The Committee recommends that requisitions must be raised for all fuel issued out in an appropriate format, stating the name, reasons and vehicle number of the staff requesting and also the name and authorizing signature of the manager in charge.

Fuel Given To Non-Approved Vehicles

A total of 11,512 litres of fuel amounting to Le15,812,506 from January to April 2012, were given to vehicles that were not part of the approved list of vehicles for the period under review.

The Committee

The Committee recommends that approved list of vehicles should be updated to include all the names of personnel entitled to vehicles for transparency and accountability. However, the figure in question should be accounted for with an immediate effect.

Excess Fuel Given To Personnel

According to the 1994 Cabinet conclusion on the disbursement of fuel to civil servants, nine litres of fuel should be given to official personnel per working day. However, 5,369 litres equivalent to Le24,169,000 was issued in excess of the approved limit to personnel of the Ministry.

The Committee

The Committee recommends that the Ministry should give satisfactory explanation for the excess fuel usage within 30 days after the adoption of this report by Parliament.

3. THE NATIONAL REVENUE AUTHORITY

In 2011, my Annual Report contained a chapter exclusively devoted to the National Revenue Authority. We commend the NRA for achieving serious growth in tax revenue in general to the point where 60% of the State budget is covered by internally generated collections without donor funds. However, based on our review of the NRA, conducted as part of the annual audit of the Public Accounts, we remain unconvinced that many of our recommendations have been adequately addressed. The following observations support our view that much more needs to be done and we will be doing in-depth follow-up audits in the coming year.

Domestic Revenue

Database not Regularly Updated: the NRA did not maintain a comprehensive database of all registered businesses. We also noted that the distinction between small and medium tax payers was not clear as they had not been classified based on their turnover as in the case of large tax payers. The number of Large Tax Payers (LTP) in 2011 was 150 and Small and Medium Tax Payers (SMTP) were 573. The same list was provided again in 2012 suggesting the list was not updated to take account of those taxpayers who had closed down businesses and new entrants.

Goods and Services Tax

- Despite requests made for the production of dishonoured cheques registers, it was confirmed that no such ledger was maintained to record these transactions.
- During the reconciliation of the receipt issue-ledger, it was observed that 42 used receipt books were not produced for audit inspection which led to the team being unable to reconcile receipt totals to bank statements.
- In an interview with the officer in charge of GST registration and examination of completed forms, the team noted that for completed application forms returned to the Tax Payers Service (TPS) unit, there was no evidence to confirm that returned application forms were reviewed prior to being put into the system. Also, we were unable to verify that all completed forms received by TPS were entered into the VIPS software as there was no trail in the process

Customs and Excise

- I noted that in a number of revenue generating areas there were variances between revenue collected and paid into the bank accounts.
- From our review, we noted that from 22 vehicles, six were not accounted for since there were no documentary evidence to suggest that they were truly released to the owners.
- A review of payment plans for 2011 and 2012 financial years was carried out. The objective was to ascertain the completeness of payment for the two financial years. We observed that amounts totalling Le 691 million in respect of TIGO, a telecommunications company, and the firm ATMARN were still outstanding.

Official Response:

We note your findings and it has been communicated to the NRA, we still await their response

The Committee

The Committee recommends that the NRA should establish a system with the Administrator and Registrar General by which the NRA is immediately informed of the incorporation of business entities and to maintain such information on a computerised system. The NRA should also maintain a comprehensive database of all eligible tax payers.

None Tax Revenue (NTR)

- Having traced the receipts to the revenue cash book, one receipt book (6011651-6011700), with a total value of Le45 million as per revenue cashbook, was not presented for audit.
- For the period under review, postings in the NRA National Registration Secretariat cashbook did not agree with those made in the Rokel Commercial Bank statement. The sum of Le6 million was posted in the NRA cashbook as revenue for which receipts were issued but we were unable to trace this money to the relevant bank statement.
- Differences were noted between total passports printed for the out-stations and the total revenue reported as collections which amounted to Le136 million.
- From samples selected, it was observed that revenue collected from Makeni for the period 27 March 2012 to 30 April 2012 totalling Le11 million was not seen on the banked statement and in the NTR revenue banking records.
- Bank statements were not submitted for revenue collected and deposited to the Sierra Leone Commercial Bank Account No. 001-116419-03-00-04 for the period January 5, 2012 to 27 March 2012 amounting to Le 56 million. In addition, these deposits could not be traced to the NTR revenue banking records.

Official Response:

This again has been brought to the attention of the NRA for action.

The Committee

The Committee recommends the following that:

- ***The Commissioner (Non Tax Revenue) should send the statement of revenue collected to all the Heads of Ministries, Departments and Agencies (MDAs) on whose behalf it collects non-tax revenue on a regular basis.***
- ***The non-tax revenue collection should be compared to the amounts assessed by the MDAs and any variance is being investigated until seen resolved.***
- ***The Commissioner (Non Tax Revenue) and the Principal Finance Officer (Non Tax Revenue) should devise a system of monitoring and control that alerts them when there is a failure by provincial towns and outstations to submit their returns.***
- ***Regular weekly or monthly reports of collections from all outstations and provincial towns should be produced and reviewed by management.***

Income Tax Department

- Forty Corporation Tax Files from SMT0 records were selected for tax audit purposes. Out of these, only 19 files were presented for audit purpose. From a review of these files, it was

observed that there were no Corporation Tax Returns for the taxpayers, and there was no evidence that NRA had levied penalties on taxpayers for failing to submit their tax returns.

□ In line with generally accepted practice, taxpayers carry out self-assessments at the beginning of the tax year. It is expected and required that taxpayers should send in their corporation tax returns not later than 31st March the following accounting year. These returns can either agree or disagree with the initial provisional assessment. It is the responsibility of the NRA Audit and Assessment Unit to audit the taxpayers' account for tax and PAYE computation. The objective is to ascertain whether the accounts are complete and accurate. However, from our review there was no evidence that audits had been carried out during the period under review.

Official Response:

We note your findings and it has been communicated to the NRA, we still await their response

The Committee

The Committee recommends that:

- ***The NRA establishes a system with the Administrator and Registrar General, by which they National Revenue Authority are immediately informed of the incorporation of business entities and to maintain such information on a computerised system.***
- ***The NRA should maintain a comprehensive database of eligible tax payers.***
- ***The Commissioner for Domestic Tax Department should investigate the reasons why a the tax payers files could not be found, and take the necessary action to ensure that these documents are found and presented for audit inspection.***
- ***The Tax Payer Service unit should send notices to taxpayers reminding them to file returns on times. Fines should also be levied on all defaulters.***

Petroleum Bonded Warehouse

□ The quantity of petroleum products imported and stored in the Petroleum Company warehouses was not recorded on the ASYCUDA system to enable the NRA to have visibility and to monitor the stock maintained at these bonded warehouses.

□ We were told this was because the ASYCUDA system quantity field had a six character limit. The huge number of litres imported cannot always be accommodated. However, we confirmed with the ASYCUDA project manager that a work-around existed for the ASYCUDA system to accommodate these values through the splitting of the imported quantity on the system. Consequently, warehousing of consignments was done on a piecemeal basis, i.e. warehousing quantities received and issuing took place simultaneously. Therefore, it was difficult for

ASYCUDA to ascertain the actual book stock balance at the various petroleum bonded warehouses.

□ We observed that the C27 sheets submitted by the resident officers at National Petroleum and Leone Oil Companies did not have weekly uplift schedules attached. As such, the audit team was unable to reconcile the C 27 sheets and the weekly sales information.

Non-payment of import and excise duties

For the period 1st January to 30th June 2012 import and excise duty was not paid by the Oil Marketing Company (OMC). In an interview with the Officer-in-Charge of the Warehouse Unit it was revealed that the amount was paid through a cross debt settlement with the government. However, reconciliations to justify the actual payments made by OMC were not produced for audit. From the records submitted by the Resident Officer at Total Petroleum Company for Jet A1 deliveries to African Minerals there was no evidence of duty payments to NRA.

Official Response: We note your findings and it has been communicated to the NRA, we still await their response

The Committee

The Committee recommends that:

- *The Commissioner for Customs and Excise should investigate the reasons why a high percentage of the requested declarations and their supporting documents could not be found, and take the necessary action to ensure that these documents are found and presented for audit inspection.*
- *The commissioner General of National Revenue Authority and the Principal Finance Officer (Customs and Excise) should ensure that reconciliation between the collections recorded on the ASYCUDA system and the returns of collections received from the banks for the whole of 2011.*
- *Any reconciliation differences should be investigated and until resolved; and any identified revenue shortfall recovered from the banks.*
- *The Commissioner General of National Revenue Authority should ensure that reconciliation differences between the banks' returns of collections received to the amounts transferred to the BSL are investigated until resolved; and any identified revenue shortfall recovered from the banks.*
- *The Principal Finance Officer (Customs & Excise) at Customs House should ensure that proper systems are put in place to avoid errors in updating the cash book.*

- ***Regular bank reconciliations should be performed by the Principal Finance Officer (Customs & Excise), and discrepancies promptly investigated to alert him about any potential errors.***

Duty Free given to Individuals/Institutions who did not meet the Eligibility Criteria

- Duty Free concessions were given to individuals/institutions who did not meet the eligibility criteria as set out in the Finance Act. The total duty lost as a result of this was Le43 billion.
- For any NGO to be given duty free concession, it must be registered with MoFED. In our review of the List of NGOs who had registered and renewed their licenses, we found out that 21 were given duty free concessions, even though they had neither registered nor renewed their licenses. The duty lost as a result of the approval by MoFED amounted to Le 844 million.
- After comparing the approved schedule of individuals and institutions that were given duty waiver conditions and the ASYCUDA listings, we noted that 24 beneficiaries granted duty waiver were missing in the ASYCUDA listings of individuals and institutions granted such waivers. The value of the approved duty waivers granted to them amounted to Le205 million.

Official Response: *The Financial Secretary informed the Committee that the issue of duty free given to individuals/Institutions that did not meet the eligibility criteria has been well investigated and mechanism had been put in place to regularise the system.*

The COMMITTEE

The Committee recommends that the Financial Secretary should provide a comprehensive list of all individuals/institutions that had been given duty free under the period of review within two weeks after the adoption of this report by Parliament.

4. MINISTRY OF EDUCATION SCIENCE & TECHNOLOGY, HQ (2011)

Proceeds from the sale of bids and bid securities not accounted for

Receipts issued for the sale of bids were not the official government receipts and the Bid Register was not maintained or provided during the audit. In addition, the sum of Le5,600,000 was received from the sale of bids, of which Le970,000 was claimed to have been spent on breakfast and lunch for the Technical Evaluation Committee, for which no receipt was provided. In addition to the amount claimed to have been spent on breakfast and lunch for the Technical Evaluation Committee, Le1,660,000 was given to those involved in the evaluation process as sitting fees. However, the balance of Le2,970,000 was not deposited into the CRF as a pay-in-slip in respect of such amount not provided. It was recommended that the sum of Le1,660,000 given as sitting fees to those involved in the evaluation process should be refunded without delay

into the CRF and evidence forwarded to the ASSL for verification. The receipt for the amount expended as breakfast and lunch should also be provided; otherwise, the amount in question must be paid into the CRF. The pay-in-slip for the amount of Le2,970,000 which should have been deposited into the CRF should be produced for audit verification as early as possible. Cheques amounting to Le8,828,328 were also issued to the Ministry of Education Science and Technology or Procurement Officers by bidders as bid security, but evidence to show that they were later returned to the respective bidders was not provided.

Official Response

The PS stated that the Procurement Officer had been notified of those anomalies and efforts were underway to rectify them. For receipts in respect of the amount spent on breakfast and lunch for the Technical Evaluation Committee from the sale of bids, he said that the documents had been made available for verification and the amount of Le2,970,000 deposited into the CRF. He confirmed that the pay-in-slip was ready for inspection. Regarding cheques issued by bidders as Bid Securities, the PS stated that they were officially returned to Bidder's on request. Unsuccessful bidders he added were also informed and at the same time requested to write a letter to the Ministry for the withdrawal of their cheques/Bid Securities. He mentioned that there was evidence to show that cheques/bid securities had been returned to their respective bidders.

The Committee

The Committee recommends that evidence to show that those cheques were later returned to the respective bidders should be sent to the office of the Auditor General's office within thirty (30) days after the adoption of this report by Parliament.

Store Found in a Disorderly Manner

Physical observation of the store revealed that it was not packed orderly and there were no fire extinguishers to protect items in the event of a fire accident. In addition, there was no Inspection Report of the store by the Permanent Secretary (PS) or someone assigned to perform such role

Official Response

The PS mentioned that recommendations stated above had been noted and would be adhered to by the Responsible Officer in charge.

The Committee

The Committee recommends that the PS should ensure the orderly arrangement of the store and the installation of fire extinguishers to protect store items in the event of a fire accident. Furthermore an inspection of the store should be done frequently and evidence of that maintained at the store.

Unapproved Grants Awarded

Grants totalling Le130,000,000 were awarded to the Institute of Advance Management & Technology (IAMTEC) and the Sierra Leone Opportunity Industrialisation Centre (SLOIC) which were not on the approved List of Technical Vocational Institutes of the Ministry for 2011. It was recommended that the Principal Accountant should submit a justifiable reason within thirty (30) days of the receipt of that report, or refund the amount in question into the CRF and forward evidence to the ASSL.

Official Response: In his response the PS stated that IAMTECH on the one hand was receiving Grants from the Ministry on the basis that it started operations as a Technical Vocational Institute and was on the approval list as a Technical Vocational Institute before it was upgraded to a University. SLOIC on the other hand was receiving grants from the Ministry on the basis of an existing Agreement between the Government of Sierra Leone and O.I.C. International. He added that in the event O.I.C. International ceases to fund the centre, the Government of Sierra Leone should take over.

The Committee

During the hearing written evidence was produced and verified by the Committee that the two institutions IAMTECH Voc. Training Centre and SLOIC are included on the list of Government Subvented Institutions Nationwide. Therefore the Committee recommends that the names of those two institutions must be reinstated on the list of Government Subvented Institutions for the current financial year.

Supporting Documents For Subventions Not Produced For Inspection

Supporting documents and returns, in respect of subventions paid, totalling Le 149,842,823 were not submitted for inspection.

Official Response

The PS stated that the expenditure returns and supporting documents in respect of subventions paid to those institutions had been traced and were ready for inspection.

The Committee

The Committee recommends that the PS should produce the supporting documents within thirty (30) days after the adoption of this report by Parliament; otherwise, the amount must be accounted for and evidence forwarded to the Auditor General.

Receipts totalling Le 10,000,000 were not authentic

As they had no business name or address, in respect of the payment made to Christian Faith Rescue Orphanage as per PV no. 21827.

Official Response

The PS mentioned that the Ministry will, in future, thoroughly scrutinize all receipts submitted to ascertain their authenticity.

The Committee

The Committee recommends that the PS should ensure that authentic receipts in respect of the said amount should be provided within thirty (30) days after adoption of this report by Parliament.

Bank Statements not submitted by the Ministry

Despite several requests made for a list of Bank Accounts maintained by the Ministry and also their respective Bank Statements, only bank statements in respect of the Basic Education Commission were submitted.

Official's Response

The PS stated that a list of all Banks Accounts maintained by the Ministry and their respective Bank Statements were available for inspection.

The Committee

The Committee recommends that the PS should ensure that the list of all Bank Accounts maintained by the Ministry and the required Bank Statements must be provided within thirty (30) days after the adoption of this report by Parliament.

5. MINISTRY OF EDUCATION SCIENCE & TECHNOLOGY, HQ (2012)

Proceeds from sale of bidding documents not accounted for.

It was noted that amount totalling Le37,200,000 received from the sale of bidding documents were not brought to account, as the necessary supporting documents to substantiate the utilisation of funds were not submitted to the audit team for review.

Official's Response

The outgoing procurement officer told the Committee that he sought an oral advice from the then Permanent Secretary to pass the proceeds of the sales bids to the Principal Accountant to be posted into the Consolidated Revenue Fund

The Committee

The Committee recommends that the Procurement Officer (PO) should provide the relevant documentation for the utilization of the Le37,200,000 from the sale of Bidding Documents within 30 days after the adoption of this report by Parliament

Payment vouchers and supporting documents not submitted for inspection. The following were observed:

- Even though a similar finding was observed in the 2011 audit exercise, it was surprising to note that grants and subventions totalling Le1,063,946,333 were paid to institutions in the year 2012 that were not on the approved list of Technical Vocational Institution of the Ministry;
- The amount of Le128,223,635 represented fuel paid for by the Ministry for which fuel operating records such as fuel chits were not submitted to support the utilisation of fuel;
- In the absence of monthly or quarterly fuel reconciliations between the Ministry and the supplier, the audit team's several attempts to review the fuel records maintained by the supplier (Fuel Station) in order to ascertain the actual fuel balances, proved futile.

Official Response

Regarding Grants/Subventions the PS said that there was an existing Memorandum of Understanding between OIL International and the Government of Sierra Leone which stated that at the expiration of OIC international intervention, the Government of Sierra Leone would continue to support SLOIC. Copy of the M.O.U. he said, was available for verification. For IAMTECH Voc. Training Centre, he said that that institution was on the Ministry's approved list of Technical Vocational Institutes prior to its upgrade to a University. He mentioned that the Ministry considered it prudent to continue its support to the institution to cushion the running cost of the institution for a period of time with the aim of discouraging increase in fees by the University. Barefoot Solar Engineering Training Centre, he further mentioned, was a government institution directly under the Ministry of Education, Science and Technology. Relating to the issue of the operating records for fuel, he said that had been put in place. However there were no further comments on the issue of reconciliation.

The Committee

During the hearing written evidence was produced and verified by the Committee that the two institutions IAMTECH Voc. Training Centre and SLOIC are included on the list of Government Subvented Institutions Nationwide. Therefore the Committee recommends that the names of those two institutions must be reinstated on the list of Government Subvented Institutions for the current financial year including the payment of all backlogs.

The Committee also recommends that the Principal Accountant should ensure that monthly fuel reconciliations are carried out between the Ministry and the supplier and the variance must be reconciled.

6. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY SOUTHERN REGION (2012)

Bank Statements not Submitted

Bank Statements, to confirm receipts and payments to bank, for the Sierra Leone Commercial Bank Current Account No. 004-412177-03-00-01 was not submitted for inspection.

Official's Response

The Deputy Director of Education (DDE) stated that there was delay in receiving bank statements from the Sierra Leone Commercial Bank and that would be made available to ASSL as soon as it was received from the bank.

The Committee

The Committee recommends that the Deputy Director (DD) should ensure that a systematic system exist for the safe custody of all accountable documents and the Bank statement must be submitted to the regional Audit Office for inspection.

Poor Management and Supervision of Stores

Some variances were observed between items received and those recorded in the Store Ledgers. An examination of selected transactions revealed that out of a total of 1,692 text books supplied to the Ministry, only 1,516 Books were recorded by the Storekeeper in the Store Ledger leaving a balance of 176 Books not accounted for by the Storekeeper.

Official's Response

The DDE stated that concerns relating to variances in the supply of text books had been communicated to the Task Force Team and as far as their records were concerned, only books that were supplied and received by the district had been recorded in the store ledgers. Any outcome on that issue would be communicated to ASSL for necessary action.

The Committee

The Committee recommends that the DD should ensure that the variances are immediately investigated and the investigation report submitted to the ASSL for verification.

7. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY EASTERN REGION (2011)

Non Retirement of Allocations

The total sum of Le37, 342,992, in respect of quarterly allocations made by the Kenema District Council to the Ministry of Education, Science and Technology Kenema (MESTK), was not retired.

Official Response

The DDE stated that he deeply regretted the non-provision of appropriate acquittals in respect of funds utilized. The difference as highlighted in the report, he said, was indeed balances that were utilized for which supporting documents were with the Kenema District Council Finance Office. He mentioned that those had been retrieved and would be provided for verification.

The Committee

The Committee recommends that the Deputy Director of the MESTK should ensure that all allocations made to them are properly retired and accounted for, in accordance with financial regulation and forwarding all retirement details to the ASSL. The remaining amount of Le3,800,000 be accounted for within 30 days after the adoption of this report by Parliament

No Periodic Inspections of Schools

There was no evidence in the form of Inspection Reports to confirm that periodic inspections of schools in the Kenema District were carried out by School Inspectors during the period under review.

Official's Response

The DD stated that their inability to perform periodic visits to schools within the Kenema District was as a result of staff shortage and late remittance of funds by the Central Government to meet activities planned. He however mentioned that the recommendation was highly appreciated and would be implemented.

The Committee

The Committee recommends that the DD in collaboration with the Minister of Education, Science and Technology should ensure that periodic visits to schools within the Kenema District were made by School Inspectors in accordance with the regulation. In addition, reports on those visits must be appropriately documented and copies filed for audit assessment and reference purposes.

Poor Management of Stores

The Ministry's Allocated Store Ledger (ASL) was not properly maintained. In some instances, items of receipts were not brought on charge in the ASL, whilst in other cases, issues out of stores were not deducted from the stock balances in the ASL. A total number of 235 (Two Hundred and Thirty Five) stationery and other items in respect of the year end balances in the ASL, were also not brought to account. The general condition of the store was far from being pleasant. It was also noted that the store was untidy, poorly ventilated and infested with termites. In addition, the store was not spacious and the items in it were scattered and not neatly packed. Furthermore, the roof was badly damaged and a lot of defects were identified in the store accommodation.

Official's Response

The DDE said that they regretted the fact that the store space within the Ministry was small and funds for the rehabilitation of the store were not forthcoming for the period under review. He however said that in their effort to ensure sanity in conformity with the regulations, receipts and issues from store were brought on charge on a timely basis and the evidence would be provided for verification.

The Committee

The Committee recommends that the DD should ensure that all items of receipts and issues are brought on charge in the ASL on a timely basis and those must be reflective of the actual stock balances at any given period in time. Also regular reconciliations should be done between the physical store items and the records in the ASL, and all discrepancies properly investigated and corrected accordingly. The store ought to be properly rehabilitated and all the environmental defects highlighted therein must be rectified.

Non Maintenance of Log Book/Operating Records

The total sum of Le32,780,000 was allocated to the MESTK for the use of fuel and the servicing and repairs of motor bikes during the period under review. However, there was no evidence in the form of log book/operating records to indicate the details of journeys for which fuel was consumed, the quantity of fuel consumed and the nature of servicing and repairs. Consequently, the auditors could not verify whether those funds were utilized in the interest of the Ministry.

Official's Response

The DDE stated that a fuel log book in the required format as prescribed by the FMR, 2007 had been developed and would be presented for audit. He also mentioned that receipts and invoices in respect of funds spent for repairs and maintenance to motor bikes were available and would be presented for verification.

The Committee

The Committee recommends that the DD should maintain an updated log book or operating record addressing all the information stated in Section 236 of the Financial Management Regulations, 2007 and must also forward the operating records together with the relevant documentary evidence on how the Le32,780,000 was utilized on fuel, servicing and repairs of motor bikes to ASSL within 30 days of the adoption of this report by Parliament.

8. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY EASTERN REGION (2012)

Poor Management of Stores

Three hundred and forty-six (346) text books recorded in the Allocated Stores Ledger (ASL) were not in the store. In addition, the auditors noted that the store was untidy, poorly ventilated with low visibility. Furthermore, the store was not spacious and the items in it were scattered. There was also no toilet facility for staff assigned to the store.

Official's Response

The DDE responded as follows:

- He explained that the 346 text books not brought to account as highlighted in the report were indeed in store as at the time of the audit but not verified by the team of auditors conducting the verification at that time, mainly due to the fact that items in the store were not properly packed. The items had been retrieved and taken on charge and would be presented for verification*
- He stated that reconciliations between physical store items and Store Records were of late said performed on a regular basis and evidence of such reconciliations would be presented for verification; and*
- He concluded with the fact that the general condition of the store had been upgrade to meet health and safety requirement. He registered his deepest regret over the situation and promised that it would never be repeated.*

The Committee

The Committee recommends that the DD should produce the 346 text books to the ASSL for verification within 30 days after the adoption of this report by Parliament. Also regular reconciliations must be carried between the physical store items and the records at the ASSL and all discrepancies properly investigated and corrected accordingly.

Non Maintenance of Log Books/Operating Records

There was no evidence in the form of log book/operating records to justify the total amount of Le16,930,000 allocated to the MESTK for the consumption of fuel during the period under review.

Official's Response

The DDE stated that receipts in respect of fuel consumed would be presented for verification.

The Committee

The Committee recommends that the DD should forward the evidence of the utilisation of Le16,930,000 to the ASSL for verification within 30 days after the adoption of this report by

Parliament. Also a log book or operating records must be maintained and updated regularly for the utilisation of fuel.

9. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY HQ (2011)

Review of the Tractor Hire Purchase Scheme

The Ministry did not maintain individual debtors files/ledgers. As a result, a total of Le2,055,637,836 still remained as arrears/outstanding debt for the period under review.

Official Response

The PS stated that the recovery of the outstanding debt was ongoing and that stringent measures had been taken against most of the Debtors who had failed to comply with the loan repayment of their annual installment by seizing their tractors and making them available for sale to the public and farmers who were ready to comply with the loan repayment of the annual installment. He however said that some outstanding amounts for 2011 had been recovered in 2012 and the Bank Statements were available for verification. He also said that the Ministry had a Memorandum of Understanding (MOU) with the First International Bank (FIB) to collect all outstanding debts from debtors.

The Committee

The Committee recommends that the PS must apply stringent penalties on all debtors who are not complying by paying their annual installments and that the outstanding amount (Le2, 023,915,233) in the previous audit report should be recovered within thirty (30) days after the adoption of this report by Parliament.

Poor Payroll Administration

A review of payroll documents presented for audit inspection revealed that 116 drivers were employed against 76 official vehicles, while only 62 vehicles were roadworthy, the service of 40 drivers were not utilised and a total amount of Le142,252,800 was paid to drivers who were not utilised for the period under review.

The Committee

The Committee recommends that action must be taken as quickly as possible by the Director General Human Resource Management Office, Permanent Secretary of the Ministry and other stake holders to address this anomaly.

Receipts and Distribution of Fertilizers

Fertilizers amounting to Le44,420,000 issued to various farmers in the Western Area on a cost recovery basis had not been recovered.

Official Response

The PS said that the Chief Agricultural Officer had forwarded the necessary recovery documents and that they were available for verification.

The Committee

The Committee recommends that the Chief Agricultural Officer should put mechanism in place to recover the remaining amount of Le31,380,000 from the various farmers and evidence of recovery must be forwarded to the Auditor General's office for verification within (30) days after the adoption of this report by Parliament.

10. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY HQ (2012)

Review of the Tractor Hire Purchase Scheme

For the year 2012, the total amount of Le2,569,698,240 was supposed to have been recovered from debtors in respect of the Tractor Hire Purchase Scheme; however, only Le178,254,991 was recovered, leaving a balance of Le2,391,443,249.20, representing approximately 93% of what should have been recovered from debtors. It was also noted that the Tractor Hire Purchase Scheme was being managed by the First International Bank without any binding contract between the Ministry and the bank. The initial contract agreement between the Ministry and the Bank had expired since 31st December 2010 and up to the end of the audit, it had not been renewed.

Official Response

The PS stated that the tractors were giving a lot of problems to the farmers, a team headed by the Minister had engaged the farmers in the province to advise them to pay their debts, he added. He further said that a press release for defaulters to pay had been made and a cabinet paper, which was available for verification had been sent to government for them to review the cost from 40% to 60% subsidy. He mentioned that the bank was contracted to implement the programme since they had about 1% of the amount. He however said that management had noted the findings and the process was going on to renew the contract with the Ministry.

The Committee also observed that there was an on-going process as per a Cabinet Proposal submitted relating a review of the memorandum of understanding sent to the Attorney General and the Minister of Justice, Law Officers Department, to show that the signing of a new contract was in progress.

The Committee

The Committee recommends that the PS must ensure that a revised payment plan between the Ministry and the debtors is implemented within 30 days after the adoption of this report by Parliament and that a new contract agreement be signed between the Ministry and the bank so as to enable the Tractor Hire Purchase scheme to be properly managed.

Bank Statement not Presented for Audit Inspection

An examination of the revenue registers and NRA receipt books for revenue streams revealed that revenue collected totalling Le1,121,832,260 for the year 2012 was alleged to have been paid into the bank for which Bank Statements were not submitted for audit inspection by both the NRA Collector and the Transport Officer in charge of the buses. It was also observed that Forestry activities were carried out in the thirteen districts. However, out of those thirteen districts, returns were only submitted for five (5) leaving a balance of eight (8) still outstanding. Furthermore, there was no segregation of duties over the printing, receipt and custody of the bus tickets as the printing, custody and issuance of those tickets were done by the Secretary to the Deputy Minister 1 and the duplicates of tickets were not maintained. The Phytosanitary Certificates amounting to Le6,006,000 were issued by the Crop Division for which there was no evidence to show that the Certificates were paid for.

Official's Response

The PS stated in his reply that:

- The NRA was responsible for the collection of tax derived from the Forestry and Phytosanitary Division. The process of collecting such revenues was that clients normally paid to the bank, and a bank pay slip was submitted to NRA for which an NRA receipt would be obtained. The client would then present the NRA receipt to the Forestry/Phytosanitary Division of the Ministry where the receipt number would be entered into a ledger. The ledger he said would be available for verification. However he said that with advice from the Internal Audit Unit, MAFFS, they would subsequently be making photocopies of all NRA receipts presented by clients. For the bus account, the bank statements he said were available for verification.*
- They had sent a memorandum to the various District Officers to submit their returns and those documents were available for verification.*
- Management had instituted a new method of printing and custody of receipt books by means of segregation of duties for the bus service.*
- They issued certificates to customers after they (customers) had made payment to the bank. The customers would take the bank slips to NRA, in return NRA would give receipts which numbers would be entered in the MAFFS ledger and then a certificate would be issued. However, through the advice of the Internal Audit, MAFFS, he said had instituted the photocopying of all bank paying slips and NRA receipts in 2013.*

The Committee

The Committee recommends that the PS should ensure that bank statements in respect of Forestry and Phytosanitary amounting to Le892,777,725 and Le39,118,762 respectively of certifying the payment of the said amount into the bank are submitted for audit verification within 30 days after the adoption of this report by Parliament. Also the Director of Forestry Division to ensure that the relevant returns are submitted for verification and the Chief Accountant make sure that there is adequate segregation of duties over the printing, custody and issuance of the tickets.

Observations of the Mechanical Store

The following lapses were observed:

- No regular inspection of the Mechanical Stores was carried out either by the PS or his representative.
- In spite of previous reports, leakages were observed in some of the ware houses which have caused a lot of damage to some stores items.
- Electricity supply to the Mechanical stores continued to be a challenge especially at night; considering the fact that valuable properties costing millions of Leones were kept in the various warehouses.
- Even though several recommendations had been made over the years for a complete overhaul of the drainage system in the Ministry's Mechanical stores, it was observed that the drainage system was in complete shambles. The situation was particularly serious during the rainy season; making it extremely difficult for people to use the main entrance, hence hindering the proper functioning of the store.

Official's Response

The PS stated that:

- Regular inspections of the stores were done by himself and the Minister with other senior personnel and evidence of that was available from the log book for verification;*
- Modalities were being put in place by top Management to repair the Kissy stores after the rains;*
- Electricity supply to the mechanical stores continued to be a challenge especially at night; but management was working very hard to salvage the situation; and*
- The Ministry had contacted SLRA to work on the drainage system; evidence of that was available for verification.*

It was recommended that with immediate effect, the PS should carry out unannounced inspections of the stores and the dates observed should be recorded for verification and urgent steps should be taken to repair the leaking roofs, to prevent more losses to occur. Every effort should be put in place to ensure regular power supply to the store so as to enable personnel

carry out their functions effectively and efficiently. The PS should also ensure an overhaul in the drainage system at the Central Mechanical Stores.

The Committee

The Committee recommends that with immediate effect, the PS should carry out unannounced inspections of the stores and the dates of the inspection visit should be recorded for verification and urgent steps should be taken to repair the leaking roofs, to prevent more losses to occur. Every effort should be put in place to ensure regular power supply to the store so as to enable personnel carry out their functions effectively and efficiently. The PS should also ensure an overhaul in the drainage system at the Central Mechanical Stores.

Bank Statements not Submitted by the Ministry

Despite written request made by the Auditor General for a list of bank accounts maintained by the Ministry and also their respective bank statements, such requests proved futile as the list of bank accounts as well as bank statements operated by the Ministry Headquarter and the SCP/GAFSP Project were not submitted.

Official Response

The PS said that the bank statements of the Ministry were available for verification.

The Committee

The Committee recommends that the PS should ensure that the list of all bank accounts maintained by the Ministry and the required bank statements be provided for audit verification immediately. In the event of failure to comply, strong disciplinary measure should be instituted against the PS.

Review of the Diversified Food Production Project

According to their annual work plan, the project was supposed to undertake Inland Valley Swamp (IVS) “Development, Local and Imported tools, small ruminants”, etc. However, this was not accomplished and neither documentary evidence nor a plausible explanation was submitted to the audit team for not meeting their target.

Official Response

The Project Coordinator said that that was not achieved as a result of the prolonged procurement process for the recruitment of the Engineering Consultant for the Design and Supervision of IVS and Socio-economic infrastructure. He also mentioned that the delay in No Objection from IDB on MOU with Extension and Livestock Divisions of MAFFS which were to provide the quantities and specifications on tools and livestock delayed the procurement process. He further said that following the conclusion of the procurement process and contract signed with IDEAS LTD and AL-HABSHI of Kuwait JV and the signing of MOUs with Extension and

Livestock Divisions of MAFFS, the procurement process for Imported tools, small ruminants, etc had been initiated and in process.

The Committee

The Committee recommends that the Project Coordinator must provide adequate documentary evidence and a plausible explanation for not meeting their target.

**11. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY,
SOUTHERN REGION (2012)**

Poor Control over Revenue Generated by the Forestry Division

The revenue collections by the Forestry Division decreased by 11% in 2012 (from Le17.3m in 2011 to Le15.4m in 2012) and Bank Statements, which recorded the payments and withdrawals from bank were not submitted to confirm the payment of Le15,401,000 collected by the Forestry Division as revenue for the period under review.

Official Response

The DAO stated that the Accountable Document Register was not maintained but document to show for the issue of receipts to the forestry division was available in Freetown as receipts were collected directly from the Ministry in town. He added that the number of foresters available was small and coverage area was wide, hence unable to cover the length and breadth of the region.

The Committee

The Committee recommends that the District Agriculture Officer (DAO) should ensure that the Ministry engage in a revenue mobilisation drive to increase its revenue generation and bank statements in respect of the sum of Le15,401,000 must be submitted for verification.

Poor Control over Fuel Usage

Monthly/Quarterly Reconciliations were not carried out between the Ministry and the Fuel Station. Out of a total of Le62,906,000 allocated to the Ministry by the Councils (Bo City & District), only the sum of Le48,935,250 was supported by fuel chits leaving an outstanding balance of Le13,970,750 not accounted for by the Ministry.

Official's Response

The DAO stated that the reason for the difference in fuel bought and fuel supplied as evidence in fuel chit was as a result of activities carried out on holidays and weekend when fuel was collected from the station without chit. He added that requisitions for fuel raised and for purpose not indicated, was just a mistake but the requisition evidence would be provided. He agreed that

reconciliation was not done in the past but in the years ahead it would be done which will be proven in the next audit exercise.

The Committee

The Committee recommends that the DAO should ensure that Monthly/Quarterly Reconciliations are carried out between the Ministry and the Fuel Station and the evidence on the utilisation of Le13,970,750 be forwarded to the ASSL for verification.

Lapses Observed in a Project supervised by the Ministry of Agriculture

In spite of repeated requests, a monitoring report on the implementation of a project was not available to justify the utilisation of an amount of Le225,939,750. The Team visited a Project Site at Koribondo and observed that the Agriculture Business Unit was not functional. The generator was not in working order and a television supplied to the Centre could not be physically verified.

Official Response

The DAO responded as follows:

“The mistake was done by the bank as a result of improper printing and those mistakes had been taken up with them and the corrections effected. They were sorry for such happenings as this was not brought to their attention by the ministry representatives, but effort will be made to correct such bad happening in the future; The officer responsible for such supply of vegetable seeds at that time failed to hand over those documents to the predecessor; and the officer responsible for such training at that time failed to hand over the documents to the predecessor.”

The Committee

The Committee recommends that all transactions from inception to completion should be supported by the relevant documentary evidence which must be retained for audit and reference purposes. In addition, the Project Head should forward the Monitoring Report in support of the expended amount of Le225,939,750 to ASSL for verification.

Inadequate Control over Staff Records

Staff Personnel files were not properly kept as they lacked vital documents such as Certificates and Appraisal Forms. In addition, the names of thirteen (13) staff on the Staff List had attained/exceeded the retirement age of 60 years.

Official Response

The DAO stated that staff were paid through the bank system and salary vouchers were not photocopied. On the issue of retirement of staff, he said that this was so because some of those staff were transferred staff and failed to transfer their documents in their previous file. He however said that effort would be made to ensure that recommendations were adhered to. Staff

who had reached their retirement age must be notified by NASSIT and until that is done the staff would keep coming to work until they were notified, he added. He mentioned that staff were regular at work as their work involved more of field work than work out of the ministry and only signed the register when they worked in Bo.

The Committee

The Committee recommends that the DAO should ensure that, staff personal files are immediately updated with the relevant information. The DAO should also liaise with MAFFS Headquarter and the Human Resource Management Office for necessary action relating to names of thirteen (13) staff on the Staff List that have exceeded the retirement age of 60 years.

12. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY, EASTERN REGION (2011)

Public Funds not Brought to Account

The sum of Le339,601,000 in respect of quarterly allocations made by the Kenema District Council was not brought to account. The sum of Le15,000,000 and Le588,000 in respect of timber licenses and transport permits were not brought to account.

Official Response

The DAO stated that the documents were ready for verification.

The Committee

The Committee recommends that the DAO must ensure that all public funds are properly accounted for including the above amounts and evidence forwarded to ASSL within 30 days after the adoption of this report by Parliament; otherwise, the total sum of Le339,601,000 should be refunded without delay.

Inadequate Control over Collection and Banking of Revenue

The total sum of Le5,051,000 in respect of transport permit collected was not recorded in the cash book. The Ministry did not make available bank statements to justify that the total sum of Le5,051,000 in respect of revenue generated by the Forestry Department, was paid into the bank.

Official Response

The DAO said that the officer that was acting during the period died and no document was traced. He however stated that a letter had been attached to explain further the details of what the audit required.

The Committee

The Committee recommends that the DAO should ensure that there are adequate controls over collection/issuing of receipts, permits and banking of revenue. In addition, proper supervision and review are to be employed to ensure that transactions recorded in the books of accounts are accurate, completed and supported by the relevant documentary evidence. Evidence of receipts and bank statements in respect of the issue highlighted must be forwarded to the ASSL for verification within 30 days after the adoption of this report by Parliament otherwise, the total amount of Le5,051,000 be refunded promptly.

Inadequate Control over the Distribution and Usage of Fuel

Ministry of Agriculture Forestry and Food Security Kenema (MAFFSK) was not following any policy or rule regarding the distribution and usage of fuel. In addition, there was no recording mechanism in the form of a log book/ operating record or fuel register to indicate the names of officers to whom fuel was supplied and the purposes for the various supplies. As a result of those weaknesses, the Ministry could not account for fuel costing Le49, 822,500.

Official Response

The DAO in his reply stated that during the period under review the various divisional heads were keeping track of their own fuel allocated to them. He said that the district store keeper had a ledger, where he did all entries from the various heads of division and it was during that period that he had to collect all the fuel tracking documents from the heads which he took home for proper recording. He mentioned that it was during that period that he died suddenly and as a result the office took time to retrieve the documents from the family.

The Committee

The Committee recommends that the DAO should formulate a policy to guide and control the distribution and usage of fuel. In addition, the use of a log book and fuel register must be introduced to record and reconcile the distribution and usage of fuel. Furthermore, the DAO should forward a detailed breakdown (indicating recipient's signatures) on how the quantities of fuel consumed in 2011 were distributed.

Poor Records Management

Staff personal files lacked vital information such as application letters and credentials of staff, offer and acceptance of employment letters, etc. There was also no evidence in the form of a Time Book or Attendance Register to indicate that the arrival and departure of staff to and from work were recorded and monitored.

The Committee

The Committee recommends that the DAO should ensure that staff personal files are maintained and the MAFFSK has to maintain a time book or attendance register, in which accurate details of staff arrival and departure are recorded, for all units.

Poor Management of Stores

Four hundred and twenty seven (427) assorted items were recorded in the allocated store ledger and the requisition books as receipts and request. However, there was no evidence in the form of delivery notes to justify that the quantity and specification of the items were accurate and complete.

The Committee

The Committee recommends that the DAO should ensure that all items of receipts are brought on charge in the Stores Ledger on a timely basis and must be accompanied by delivery notes and supported by the relevant receipts in accordance with Section 183 (2) of the Financial Management Regulations, 2007.

13. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, EASTERN REGION (2012)

Poor Performance on Revenue Generation

No revenue was recorded for timber licences in 2012 as compared to 2011, when the sum of Le20,000,000 was recorded. The audit further revealed that revenue totalling Le210,000,000 in respect of forty two (42) receipt books issued to the Forestry Division was not submitted for audit. Bank statements to justify the total sum of Le89,910,000 in respect of revenue generated from the issuance of permits by the Forestry Department, were not provided.

Official's Response

The DAO stated that the Officer in charge was suspended indefinitely just after the issuing of one license and no other officer was assigned to the office for that year. No receipt was missing and the allocation and entry of receipt books not serially done as identified by audit had been made known to headquarters for serial distribution of books for audit purposes, he added. He further mentioned that the DAO and the Officer in Charge were not signatories to the account at the bank and a copy of paying in slip had been made available for verification.

The Committee

The Committee recommends that the DAO should provide evidence to account for the drop in revenue generation. The deposit slips and bank statements in support of the forty two (42) receipt books, timber licences and forestry permits should be forwarded to ASSL within 30 days after the adoption of this report by Parliament; or the said sums refunded promptly.

Poor Records Management

One hundred and twenty-five (125) staff members were without personal files and staff were not appraised during the period under review. Thirteen (13) staff members who should have gone on retirement were in active service.

Official's Response

The DAO stated that they were working on getting all at a central location to solve the problem. He mentioned that appraisals and records would be put in place in due course and on the issue of retirement, the Human Resource Management had that responsibility.

The Committee

The Committee recommends that the DAO must ensure the provision of individual files for all staff, with each file containing staff details and employment history and staff appraisals should be done on a regular basis.

Inadequate Control over the Disbursement of Funds

An amount of Le65,915,000 was spent on the rehabilitation of Inland Valley Swamp (IVS) and Water Control Management, but monitoring and evaluation reports to prove that those projects were adequately monitored were not submitted for audit.

Official's Response

The DAO stated that the monitoring report for activities undertaken had been independently sent to headquarters. He however said that the document was ready for inspection.

The Committee

The Committee recommends that the DAO should forward the relevant evidence in respect of the above expenditure to the ASSL for verification.

Inadequate Control over the Distribution and Usage of Fuel

The Ministry could not account for fuel used, costing Le46,083,500 as there was no Log book/ operating record or fuel register.

Official's Response

The DAO stated that the distribution list for fuel as per request was available for inspection and the use of chits had been introduced to control the use of fuel and other Government items.

The Committee

The Committee recommends that the DAO should forward to the ASSL a detailed breakdown and evidence of subsequent payment Le46, 083,500 within 30 days after the adoption of this report by Parliament.

14. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, BOMBALI DISTRICT (2011)

Revenue not brought to Account

A comparison of the receipt books used in the collection of revenue by the Forestry Division, and the bank statement revealed that the sum of Le9,590,000 was not brought to account.

Official's Response

The DAO's reply was that the payment of Le2,500,000 had been made into the Forestry Development Account at the Sierra Leone Commercial Bank.

The Committee

The Committee recommends that the District Agricultural Officer should without any undue delay to recover and pay the Le9,590,000 into the Forestry Account and forward evidence of payment to the ASSL for verification within 30 days after the adoption of this report by Parliament. The District Agricultural Officer is further advised to promptly pay into the Ministry's account, all revenue generated by the Forestry Division.

Seed Rice Loaned to Farmers not Recovered

It was observed that, out of the total of 19,215 bushels of seed rice that was loaned to farmers in 2011, only 16,782 bushels had been recovered; leaving an outstanding balance of 2,433 bushels.

Official's Response

The DAO in his response stated that the 3,866 bushels of seed rice loaned to farmers were an accumulation of seed rice that had been in circulation to farmers over the years since 2007. He mentioned that since that time (2007-2011), most of the farmers in question were no longer operating in those areas where they were originally registered. As a result of that unfortunate situation he added, the Ministry had decided to list the names of defaulters and those names had been faithfully submitted to both the City and District Councils and the Ministry's Head Office in Freetown.

The Committee

The Committee recommends that the DAO should ensure that the outstanding bushels of seed rice are recovered from the farmers with immediate effect.

15. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, BOMBALI DISTRICT (2012)

Revenue Not Brought To Account

A comparison of the receipt books used in the collection of revenue by the Forestry Division and the bank statement revealed that the sum of Le8,827,000 was not brought to account.

Official's Response

The DAO stated that revenue of Le8,827,000 collected was banked but pay-in- slips were not presented to auditors as the Forestry Officer who was the custodian of those documents was bereaved and was away during the audit exercise. He however said that they had been retrieved and ready for submission to ASSL.

The Committee

The Committee recommends that the DAO should ensure that the Le8,827,000 is immediately recovered and paid into the Forestry Account and evidence of payment forwarded to ASSL for verification.

16. MINISTRY OF AGRIC, FORESTRY AND FOOD SECURITY, TONKOLILI DISTRICT (2012)

Accountable Documents In Respect Of Forestry Revenue Not Made Available For Audit Inspection

Accounting documents such as receipt books, cash book, bank statements and pay in slips that were used in the collection, recording and reporting of revenue generated from the Forestry division, for the period under review, were not made available for audit inspection.

Official's Response

The DAO mentioned that the out-gone officer failed to handover revenue generating documents to the in-coming forestry officer for the period under review

The Committee

The Committee recommends that the DAO should ensure that the documents in question are forwarded to ASSL for verification and all accounting documents in respect of revenue generated by the Forestry division should be retained for audit and reference purposes.

The services of the mechanical engineers employed by the Ministry were not utilized

This was evident by the fact that the maintenance of vehicles and bikes for the year under review was contracted to a private contractor.

Official's Response

The DAO stated that maintenance of vehicle and bikes was contracted to a Private Contractor based on advice given to them by the Tonkolili District Council.

The Committee

The Committee recommends that the DAO in collaboration with the Tonkolili District Council should ensure that the maintenance of the Ministry's vehicles and motor bikes is handled by the Ministry's mechanical engineers.

Inadequate Control over the Recovery of Seed Rice Loaned to Farmers

A total of 1,040 bushels of seed rice that was issued to farmers on loan had still not been recovered and redistributed to other beneficiaries.

Official's Response

The DAO said that a loan recovery ledger had been prepared to track seed rice distribution to FBOs and loan recovery.

The Committee

The Committee recommends that the DAO should ensure that the outstanding bushels of seed rice are quickly recovered from the farmers.

17. PROJECTS OF THE MINISTRY OF AGRICULTURE

Review of the Seed Multiplication Project

The seed multiplication unit received the sum of Le2,653,292,190 from the Government of Sierra Leone, GTZ and Food and Agricultural Organisation for the procurement and supply of seed rice, groundnuts and other crops for the period under review. It was observed that accountable documents and records such as bank statements, monthly bank reconciliation statements, cash books and details of accounts operated by the project were not produced to the audit team to support the utilisation of the amount.

Official Response

The PS stated that the Project Coordinator had made all the project documents/information relating to the project available and that they were ready for audit inspection.

The Committee observes that out of the total of Le2,653,292,190, supporting documents were submitted for Le2,118,417,642 leaving a balance of Le534,874,547 for which documents were not made available. Upon examination of the documents submitted, the auditors observed that

amounts totalling Le183,580,000 were without adequate supporting documents such as receipts, invoices and evidence of deliveries.

The Committee

The Committee recommends that the Project Coordinator must forward to the Auditor General's office all documents/information amounting to Le534, 874,547 within 30 days after the adoption of this report by Parliament. Further, the Committee instructs the Permanent Secretary to set up a committee within 30 days to investigate this matter and report to the Committee.

Review of Diversified Food Production Project (DFPP)

No Accounting Manual was in use within the Project to define how transactions were processed, how to guide new recruits and allow management to monitor transactions in accordance with the manual. Furthermore, the accounts were presented without accompanying notes on the Accounting policies used to prepare the Financial Statement.

Official Response

The PS stated that all the recommendations would be strictly adhered to and necessary action taken by the Project Coordinator to correct all the anomalies.

THE COMMITTEE

The Committee recommends that the Project Coordinator, DFPP should put in place a comprehensive Finance Procedure Manual urgently and state clearly the Accounting Policies adopted to prepare the Financial Statement.

18. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY HQ (2012)

Review of the Tractor Hire Purchase Scheme

For the year 2012, the total amount of Le2,569,698,240 was supposed to have been recovered from debtors in respect of the Tractor Hire Purchase Scheme; however, only Le178,254,991 was recovered , leaving a balance of Le2,391,443,249.20, representing approximately 93% of what should have been recovered from debtors. It was also noted that the Tractor Hire Purchase Scheme was being managed by the First International Bank without any binding contract between the Ministry and the bank. The initial contract agreement between the Ministry and the Bank had expired since 31st December 2010 and up to the end of the audit, it had not been renewed.

Official Response

The PS stated that the tractors were giving a lot of problems to the farmers, a team headed by the Minister had engaged the farmers in the province to advise them to pay their debts, he added. He further said that a press release for defaulters to pay had been made and a cabinet paper, which was available for verification had been sent to government for them to review the cost from 40% to 60% subsidy. He mentioned that the bank was contracted to implement the programme since they had about 1% of the amount. He however said that management had noted the findings and the process was going on to renew the contract with the Ministry.

THE COMMITTEE

The Committee recommends that the PS must ensure that a revised payment plan between the Ministry and the debtors is implemented and that a new contract agreement signed between the Ministry and the bank so as to enable the Tractor Hire Purchase scheme to be properly managed.

Bank Statement Not Presented For Audit Inspection

An examination of the revenue registers and NRA receipt books for revenue streams revealed that revenue collected totalling Le1,121,832,260 for the year 2012 was alleged to have been paid into the bank for which Bank Statements were not submitted for audit inspection by both the NRA Collector and the Transport Officer in charge of the buses. It was also observed that Forestry activities were carried out in the thirteen districts. However, out of those thirteen districts, returns were only submitted for five (5) leaving a balance of eight (8) still outstanding. Furthermore, there was no segregation of duties over the printing, receipt and custody of the bus tickets as the printing, custody and issuance of those tickets were done by the Secretary to the Deputy Minister 1 and the duplicates of tickets were not maintained. The Phytosanitary Certificates amounting to Le6,006,000 were issued by the Crop Division for which there was no evidence to show that the Certificates were paid for.

Official Response

The PS stated in his reply that:

The NRA was responsible for the collection of tax derived from the Forestry and Phytosanitary Division. The process of collecting such revenues was that clients normally paid to the bank, and a bank pay slip was submitted to NRA for which an NRA receipt would be obtained. The client would then present the NRA receipt to the Forestry/Phytosanitary Division of the Ministry where the receipt number would be entered into a ledger. The ledger he said would be available for verification. However he said that with advice from the Internal Audit Unit, MAFFS, they would subsequently be making photocopies of all NRA receipts presented by clients. For the bus account, the bank statements he said were available for verification.

They had sent a memorandum to the various District Officers to submit their returns and those documents were available for verification.

- *Management had instituted a new method of printing and custody of receipt books by means of segregation of duties for the bus service.*
- *They issued certificates to customers after they (customers) had made payment to the bank. The customers would take the bank slips to NRA, in return NRA would give receipts which numbers would be entered in the MAFFS ledger and then a certificate would be issued. However, through the advice of the Internal Audit, MAFFS, he said had instituted the photocopying of all bank paying slips and NRA receipts in 2013.*

The Committee observes that the Bank Statements in respect of Forestry and Phytosanitary amounting to Le892,777,725 and Le39,118,762 respectively were not submitted for verification to certify the payment of the said amounts into the bank. Returns also were not submitted for the various districts stated in the Report. The explanation stated on the segregation of duties was not satisfactory as no evidence of such explanation was presented for on the spot verification. A Schedule showing the NRA receipt numbers for the various certificates issued were presented to the Committee but the auditors were unable to confirm the payment of the said amount into the bank as bank statements from NRA were not produced.

The Committee

The Committee recommends that the PS should ensure that bank statements to certify the payment of the said amount into the bank are submitted for audit verification. The Director of Forestry Division should ensure that the relevant returns are submitted for verification. Additionally, the Chief Accountant should ensure that there is adequate segregation of duties over the printing, custody and issuance of the tickets. The Director, Crops Division should produce the relevant receipts and evidence of payment to bank within thirty (30) days after the adoption of this report by Parliament.

Observations of the Mechanical Store

The following lapses were observed:

- No regular inspection of the Mechanical Stores was carried out either by the PS or his representative.
- In spite of previous reports, leakages were observed in some of the ware houses which have caused a lot of damage to some stores items.
- Electricity supply to the Mechanical stores continued to be a challenge especially at night; considering the fact that valuable properties costing millions of Leones were kept in the various warehouses.
- Even though several recommendations had been made over the years for a complete overhaul of the drainage system in the Ministry's Mechanical stores, it was observed that the drainage system was in complete shambles. The situation was particularly serious during the rainy season; making it extremely difficult for people to use the main entrance, hence hindering the proper functioning of the store.

Official Response

The PS stated that:

- Regular inspections of the stores were done by himself and the Minister with other senior personnel and evidence of that was available from the log book for verification;*
- Modalities were being put in place by top Management to repair the Kissy stores after the rains;*
- Electricity supply to the mechanical stores continued to be a challenge especially at night; but management was working very hard to salvage the situation; and*
- The Ministry had contacted SLRA to work on the drainage system; evidence of that was available for verification.*

The Committee

Evidence of improvement in the store was submitted to the Committee and commented that it was satisfactory.

Bank Statements not Submitted by the Ministry

Despite written request made by the Auditor General for a list of bank accounts maintained by the Ministry and also their respective bank statements, such requests proved futile as the list of bank accounts as well as bank statements operated by the Ministry Headquarter and the SCP/GAFSP Project were not submitted

Official's Response

The PS said that the bank statements of the Ministry were available for verification.

The Committee

The Committee recommends that the PS should ensure that the list of all bank accounts maintained by the Ministry and the required bank statements are provided for verification by both ASSL and the Committee.

Review of the Diversified Food Production Project

According to their annual work plan, the project was supposed to undertake Inland Valley Swamp (IVS) “Development, Local and Imported tools, small ruminants”, etc. However, this was not accomplished and neither documentary evidence nor a plausible explanation was submitted to the audit team for not meeting their target.

Official Response

The Project Coordinator said that that was not achieved as a result of the prolonged procurement process for the recruitment of the Engineering Consultant for the Design and Supervision of IVS and Socio-economic infrastructure. He also mentioned that the delay in No

Objection from IDB on MOU with Extension and Livestock Divisions of MAFFS which were to provide the quantities and specifications on tools and livestock delayed the procurement process. He further said that following the conclusion of the procurement process and contract signed with IDEAS LTD and AL-HABSHI of Kuwait JV and the signing of MOUs with Extension and Livestock Divisions of MAFFS, the procurement process for Imported tools, small ruminants, etc. had been initiated and in process.

The Committee

The Committee recommends that the Project Coordinator must provide adequate documentary evidence and a plausible explanation for not meeting their target.

19. MINISTRY OF MINES AND MINERAL RESOURCES HQ (2012)

Ineffectiveness of the Cadastre System

Even though the Cadastral System had the capacity to print the licences, it was observed that the licences were printed by the Director of Mines from a stand-alone computer. In addition, a comparison between the NRA cash book and the Cadastra System revealed that revenue in respect of licences totalling \$4,758,033 and Le1,214,509,152 could not be traced to the cadastre system. Furthermore, Mining and Trading Licences valued at \$581,148 and Le 3,750,000 recorded in the Licence Register maintained by the Director of mines were not traced to the Cadastre System. It was noted that the number of licenses recorded in the Licence Register maintained by the Director of Mines did not match with those in the Cadastre System.

Official's Response

The PS said that the transfer of the Ministry's records to the National Minerals Agency was still being implemented as a lot of data could have been misplaced. He added that the System had lately been properly set up and they were hoping that the results for the year, 2013 would be quite positive. The imputing of figures into the System was not properly centralized during the year, 2012 and it was hoped that reports for the year would be quite positive, he further said. He also stated that the postings of the Ministry's records into the Cadastre System was still being perfected therefore some of those errors were still occurring but efforts were being made to regularize the situation.

The Committee

The Committee recommends that the PS should ensure that all licences are printed from, and all payments for licences inputted into the Cadastre System. It was strongly advised that the licences recorded in the register are transferred to the Cadastre System to update the relevant information and to facilitate accurate reconciliation between the Director's office and the cadastre system.

Inadequate Control over the Collection and Recording of Revenue

Arrears of annual licence fees stood at \$1,702,778 as at 31/12/2012. In addition, penalties were not levied on companies for delays of payment as stipulated in Sections 152 and 173 of the Mines and Mineral Act of 2009. Furthermore, revenue of \$84,850 and Le 21,150,000 collected from the sale of Application Forms and Rehabilitation Fees were utilized without written authority from the Ministry of Finance or Parliament.

Official's Response

The PS stated that a comprehensive and verified list of defaulting companies was still being prepared for submission to the Hon. Minister of Mines so that action could be taken as early as possible to reclaim those monies.

The Committee

The Committee recommends that the PS should ensure that the outstanding fees are recovered from those companies and similarly, fines must be levied on companies on overdue payment. The Committee urges the Ministry officials to provide evidence of authority in respect of the utilization of the \$84,850 and Le21,150,000 and evidence must be forwarded to the Audit Service for verification. Failure to adhere to these directives after this report had been adopted by Parliament; the officials concerned should be made to pay the whole amount to the CRF

Duplicate Copies of Licences not Submitted

Duplicate copies of trading licence certificates issued to individuals totalling \$829,700 and Le16,305,200 for the year 2012 were not submitted for audit inspection.

Official's Response

The PS stated that those documents were available in the Cadastre System/Office.

The Committee

The Committee recommends that the PS should ensure that the duplicate licences are produced for audit inspection.

Utilisation of Funds Without Prior Approval

Funds totalling \$78,374 and Le687,986,950 derived from Application Forms and Rehabilitation Fees were utilized without any prior approval from MoFED. Furthermore, a total of Le300,000,000 was invested in Treasury Bearer Bonds in the year 2012 from the Diamond Area Community Development Fund Account without authorisation from MOFED.

Official Response

The PS stated that the former director of Mines had been summoned to a meeting at the Ministry of Finance when the restructuring of the channelling of Government Gold and Diamond Office (GGDO) Funds to the Ministry of Finance, Ministry of Mines amongst others was in progress. He said that they were informed verbally on what had transpired in that meeting and a meeting was later held by the Director of Mines and the Permanent Secretary wherein they were informed that the GGDO would be paying a certain percentage of their funds directly into the CRF whilst the remaining Funds would still be kept and maintained by the Ministry of Mineral Resources. That had been the case since, he maintained. He further mentioned that there were documents available for the years, 2010 to date (reclaimed from the S L Commercial Bank – Initial investment date 17th December, 2010). That, he said had been the case for the past years and proceeds from such an investment had been reflecting in the Account through the years. The former Permanent Secretary (Retired) and the Director of Mines (Deceased) were not available to assist in providing documents etc. so as to throw more light on the issue, he added. He however stated that more effort was being put into the matter in order to ascertain and locate the letters of original instructions to the Bank.

The Committee

The Committee recommends that the PS should provide evidence of authority in respect of the sums of \$78,374 and Le687, 986,950 to be forwarded to the ASSL for verification within 30 days after the adoption of this report by Parliament. The PS should also ensure the provision of evidence from the Accountant in relation to the purchase of the Treasury Bearer Bonds.

Personal files and receipt of NASSIT payment not submitted for Audit Inspection

NASSIT deductions totalling Le 57,924,099 in 2012 were not paid to NASSIT. In addition, Personal Files of Mines Monitoring Officers (MMO) were not maintained and there were no written conditions of service to cover their employment which made it difficult for the auditors to ascertain the procedures used to recruit them.

Official's Response

The PS stated that GGDO funds paid into the mines monitoring account for the payment of salaries to un-verified mines monitoring officers were usually insufficient to meet payment of both the net salary payments due and NASSIT. He said as at then, payments from the GGDO were paid directly to the National Minerals Agency. He mentioned that the Agency was also expressing concerns over the lack of funds. He however said that efforts would be made between the agency and the Ministry to settle those arrears when the agency settled down financially in the very near future. Corrective measure had been put into place and the Staff Superintendent authorized to open up Personal Files for each individual Mines Monitoring Officer on the Pay-Roll for September 2012, he concluded.

The Committee

The Committee recommends that the PS should ensure that efforts are made soonest to pay over all outstanding social security contributions to NASSIT and that personal files and conditions of service of MMO's should be provided for audit verification.

20. MINISTRY OF MINES AND MINERAL RESOURCES EASTERN REGION (2012)

Lack of Monitoring of Miners and Mining Activities

The sum of Le34, 500,000 was collected as Monitoring Fees. However there was no report from the Mines wardens and Monitoring Officers to justify that the activities of miners were monitored.

Official's Response

These were the words of the Mines Engineer in response to the finding:

“For the period under review, mines monitoring was very effectively done and my team received special commendation from the late Director of Mines for revenue generation despite the numerous logistical problems that faced my office. Although there was no functional vehicle, and almost all the bikes were broken down, there was exemplary team work between the TECHNICAL TEAM (myself and 31 Mines Wardens, Senior Mines Wardens and Area Superintendents) and the MINES MONITORING TEAM (86 Senior Mines Monitoring Officers, Assistant Senior Mines Monitoring Officers and Mines Monitoring Officers) which kept all Mining activities largely under control, otherwise the Mining atmosphere would have been chaotic and illicit Mining activities would have been rampant.

Also, too many complaints from landowners and Miners and Diamond/Gold Dealers would have been made to the Director of Mines, Permanent Secretary and the Minister or, Deputy Minister of Mines and Mineral Resources.

It is true that not all the Mines Monitoring Officers wrote monthly reports but it was very mandatory for all those attached to sensitive Mining entities such as TONGUMA PROJECT (now OCTEA MINING COMPANY), SIERRA DIAMONDS (SL) LTD. etc., to send monthly reports to me and to the Director of Mines for the attention of the Minister.

Also, at the end of every month, a considerable number of MINES MONITORING OFFICERS would converge at Kenema City to do a thorough check of all Diamond Dealers/Dealer Agents, Gold Dealers, Diamond Exporters/Diamond Exporter Agents and Gold Exporters/Exporter Agents. At the end of the exercise, which lasted for two or three days, they would prepare their reports in triplicate — one for their own use, one for the Government Mining Engineer and one for the Director of Mines. Other important Mining towns like.

Tongo Fields, Boajibu, Mano Junction, Sandaru, etc. were also heavily monitored throughout the day in order to minimize illicit Mining and buying transactions and also to curtail smuggling of precious minerals into neighbouring countries.

Also, a special team of highly experienced Mines Monitoring Officers were attached to the PRECIOUS MINERALS INTELLIGENCE & INVESTIGATIONS UNIT (P.M.I.I.U.) of the Sierra Leone Police, whose main duty is to investigate all Mining/illicit buying activities with a view to

- discourage illicit mining/buying activities;*
- prosecute all defaulters in court if there is enough evidence to do so; and*
- raise revenue for Government by means of court fines.*

Although their activities were purely controlled by the Assistant Inspector - General of Police (Eastern Region) so that the outcomes of cases were not unduly prejudiced, my Mines Monitors did give me verbal as well as periodic written reports. Also, the P.M.I.I.U. also sometimes consulted me on some technical issues when necessary.

In a nutshell, I think the Mines Monitoring Team did work in synergy with the Technical Team to put mining-related activities under control even in the face of the numerous logistical constraints.

I promise that when sufficient funds are available, I will make it mandatory for all Mines Monitors and Mines Wardens and Area Superintendents to send their reports on monthly basis.

The sum of Le 33,300,000 was generated as MINES MONITORING FEES for the whole of 2012 (24 Gold Mining Licences and 321 Diamond Mining Licences).

Although the name implies that the money should be used for Mines Monitoring purposes only, this money is used by Regional Mines Offices for the day-to-day running of the offices by

- paying salaries/allowances of unverified/casual Administrative Staff, watchmen, cleaners and messengers;*
- fuel and maintenance of the standby generator and vehicles/bikes;*
- purchase of ink/cartridges for computers and accessories as well as minor maintenance of these machines;*
- purchase of stationery and sundries;*
- minor maintenance of office buildings; etc.*

I was not able to lay hands on the Mines Monitoring Reports because Mines Office, Kenema is presently being supervised by the Government Mining Engineer, Bo, who was not available during the preparation of this report. He has the keys to the G.M.E.'s Office.”

The Committee

The Committee recommends that the Mines Engineer should provide all the reports for the period under review and ensure that regular monitoring exercises are conducted and reports submitted by Mines Wardens and Monitoring Officers on a regular basis.

Decline in Revenue Collection

Total Revenue generated by the Ministry (including income and non-tax revenue) fell by 28% from Le314,010,000 in 2011 to Le226,370,000 in 2012.

Official's Response

The Mines Engineer stated that there were many reasons for the decline in mining revenue with particular reference to the issuance of Artisanal Mining Licences, as itemized below:

- There were no vehicles and road worthy bikes to undertake a robust revenue mobilization drive, especially in remote Communities. That situation was a recipe for encouraging illicit mining activities in those areas where supervision was bound to be weak. The benefit from revenue earnings in the form of Diamond Area Community Development Fund had motivated some Chiefdom Administrations to help curtail illicit mining activities by the formation of Chiefdom Mining Committees, Section Mining Committees and Village / Town Mining Committees in order to assist mines personnel on the ground to curtail illicit mining and buying activities.
- The number of Mines Monitors and Mines Wardens was quite inadequate to reduce illicit Mining activities in both Kenema and Kailahun Districts, especially when there were no vehicles and functional bikes. Thanks for the establishment of Kailahun District as a separate mining area, with its own resident Area Superintendent. With adequate logistics, more licences would be issued for 2013.
- The known productive mining areas have been exhausted (It was done with impunity during the past civil war because there was no strong central authority to maintain law and order in mining areas) and many potential miners were unwilling to venture out into areas whose grades (i.e. carats per metric ton of gravel) were yet to be roughly assessed.
- Harsh global economic trends especially in 2012 , were a disincentive for many local as well as foreign investors to support many mining programmes, especially when the price of raw diamond fell woefully in the world market for diamonds below two (2) carats , which range constitutes the average range of gem diamonds found in Kenema and Kailahun Districts.
- Rumour had it that the mining laws of Liberia were more Artisanal miner — friendly than those of Sierra Leone , and that Liberia had more productive virgin lands . There was therefore a steady drift of able - bodied miners into Liberia , thus creating shortage of labour and making mining more expensive in Sierra Leone .
- There was persistent shortage of fuel in Kenema District and, of course, Kailahun District in 2012, thus demotivating potential miners to undertake any meaningful mining ventures under such conditions .

The Committee

The Committee recommends that the Mines Engineer should ensure that a revenue mobilization drive is carried out, as well as the monitoring and supervision of miners. It was

also recommended that revenue collection should be enhanced and all revenue generated, brought to account.

Lack of Mining Database/Cadastral of miners

A comprehensive database/cadastral of miners and mining licenses applied for and issued during the period under review was not maintained.

Official's Response

The Mines Engineer stated in his response that when the Cadastral System was introduced at the end of 2010, it was expected to be fully operational with effect from January 2011. Unfortunately the system failed to work in the Kenema Office. He said that the actual fault could not be successfully diagnosed and so it could not be easily remedied despite several attempts by the Senior Cadastral Clerk at Mines Office, Bo and experts from Geological Surveys, Freetown. He added that they suspected system error or manufacturing error and that since Mines Office, Kenema produced more Licences nowadays than even Kono Mines Office, and was therefore, the major revenue earner for the Mines & Mineral Resources Ministry, the only sensible way to keep the revenue collection uninterrupted was to enter the data manually, which he personally did (in order to avoid entry errors) whilst waiting for the Cadastral System to be fixed properly. He further said that that was the only sensible thing to do under the circumstances but fortunately, the fault had been rectified and the Cadastral Clerks had told him that the Cadastral System was now fully operational.

The Committee

The Committee recommends that the Mines Engineer, Kenema should ensure that a comprehensive database/cadastral of miners and mining licenses applied for and issued are maintained in accordance with Section 39 and 41(2) of the MMA, 2009.

Ineffective Personnel Management

There was no evidence in the form of training report or certificates to prove that in-service training programmes were conducted for Mines Monitoring Officers. The auditors noted that staff personal files were not maintained for all staff.

Official's Response

The Mines Engineer confirmed that no in-service training programme was organized for Mines Monitoring Officers and that staff personal files were not maintained for all staff. The new concept of periodic staff appraisal was introduced only in 2013, based on a workshop conducted. He explained that, appraisal system would necessitate the maintenance of all personal files for all staff members and that it had already been started by the Chief Clerk.

With respect to the training of Mines Monitoring Officers, He was convinced that the National Minerals Agency, after its recruitment of Mines Monitoring Officers to suit its purpose, would organize an effective training programme for the lucky ones who would be selected, and hoped that that recruitment process would soon be done.

The Committee

The Committee recommends that the Mines Engineer, Kenema should ensure that staff personal files are maintained and training programs are organized for wardens and Monitoring Officers.

General Observation

A discussion with the Mines Engineer and general observation of the Ministry's operations revealed that the Ministry lacked basic logistics to aid daily operations. In addition, there was inadequate means of mobility and only four (4) GPS machines were available for thirty two (32) technical staff in various locations in Kenema and Kailahun Districts.

Official's Response

The Mines Engineer stated that for almost the whole of 2012 there was no functional vehicle for the use of the Government Mining Engineer and other personnel; not even a reliable motorbike and therefore, no robust revenue drive could be organized by a combined team of Mines Wardens and Mines Monitoring Officers for conducting raids on illicit miners. The SLP had to come in to help in some instance and that was in fact one of the main reasons for the sharp fall in revenue earnings from Artisanal Mining Licences and Diamond and Gold Dealers Licences. The insufficiency of GPS (GLOBAL POSITIONING SYSTEM) machines was another major set — back because the Cadastre System made it absolutely mandatory for the GPS coordinates of all four (4) vertices of all Artisanal Mining plots to be taken before issuance of the licence certificates, he added. He noted that the use of only 4 (four) GPS machines by 32 technical staff was completely unrealistic and problematic, thus drastically reducing the rate of issuance (and hence the number) of licences issued. He said that several appeals were made to the RDF (REVENUE DEVELOPMENT FOUNDATION) specialists for the supply of more G.P.S. machines but to no avail. He clearly mentioned that where Applicants for mining licences were unduly delayed for the issuance of licences, there was the tendency for the desperate ones to indulge in illicit mining while some frustrated law — abiding ones may simply desist from mining altogether. He said that he took all of the audit queries in good faith and promised to do much better. He had never been fortunate to pass through any induction course or to be provided with the financial regulations pertaining to my office because he entered the service on contract, he further mentioned and stressed that he would make sure that he got all those requirements and study them properly in order to avoid mistakes.

The Committee

The Committee recommends that the Ministry of Mines and Mineral Resources should ensure that the institution is well equipped to perform its functions, and transportation must be provided to facilitate smooth operational activities.

**21. MINISTRY OF MINES AND MINERAL RESOURCES, NORTHERN REGION
(2012)**

Revenue Not Brought To Account

A comparison of the Revenue Records (Revenue Register and Receipt Books) maintained by the Ministry and the Bank Statements revealed a difference of Le6,500,000 which was not brought to account.

The Committee

The Committee recommends that the Mines Engineer should ensure that the said sum of Le6,500,000 is accounted within 30 days after the adoption of this report by Parliament. Also the Mines Engineer should promptly pay into the CRF all revenue generated by the Ministry.

Unclaimed Salaries not paid into the Consolidated Revenue Fund (CRF)

There was no evidence to indicate that unclaimed salaries totalling Le2,610,360 were paid back into the CRF. Those unclaimed salaries were for the month of January 2012.

The Committee

The Committee recommends that the Mines Engineer should ensure that the total unclaimed amount is paid back into the CRF within 30 days after the adoption of this report by Parliament and evidence of payment forwarded to ASSL for verification. Subsequently, all unclaimed salaries should be promptly paid back into the CRF and the evidence of payment retained for audit and reference purposes.

Fuel Chits not made available for inspection

Fuel chits were not made available to explain how fuel amounting to Le3,512,000, was consumed by the Ministry during the period under review.

The Committee

The Committee recommends that the Mines Engineer forwards all fuel chits in respect of the fuel consumed to ASSL for verification within 30 days after the adoption of this report by Parliament. Also the use of fuel chits should be instituted and those chits should be retained for audit and reference purposes.

22. MINISTRY OF DEFENCE (MOD) HQ (2012)

Payment to Staff who had attained the Statutory Retirement Age

A review of the personnel files and records of staff revealed that salaries totalling Le11,167,933 were paid to eight (8) members of staff in the Ministry who were over sixty years or had attained the statutory retirement age. In addition, there was no evidence of extension letters given to staff who had attained the statutory retirement age.

Staff Attendance Registers for civil staff were not maintained at the following locations:

- Armed Force Personnel Centre (AFPC)
- Joint Logistics Unit (JLU)
- Army Engineer
- Camp Murray town
- Cockerill station
- 3 Brigade

The audit team was also unable to physically verify one hundred and thirteen (113) civil personnel at the different locations within the Ministry, based in Freetown. The total amount of Le615, 025,308 was paid as salaries to the personnel in question.

Official's Response

The HRM in his response stated that a comprehensive list had been forwarded to the Human Resource Management Office by the Ministry in respect of all civilian staff, including those names queried by the auditors, for immediate issuance of retirement letters and removal of their names from the payroll. He added that copy of the letter with an attached list was available for audit inspection. He also mentioned that staff attendance registers were now maintained in the various locations identified by the auditors and that those were available for audit inspection. He further stated that the total of 113 civil personnel had been verified by the Deputy Secretary of Finance and Admin and the Human Resource Officer. The verification list he said, was available for audit inspection.

The Committee

The Committee recommends that the Director General should inform the Human Resource Management Office (HRMO) for appropriate action; otherwise, the names of the unverified personnel should be deleted. In addition, the Human Resource Manager MOD, should expedite action to establish attendance registers at the different locations in the Western Area and have them properly supervised.

Difference between rice for operation and training received and distributed

A difference of one thousand, four hundred and sixty four (1464) bags of rice amounting to Le236, 093,790 was observed between the quantity received and issued/distributed to the RSLAF in respect of operation and training. In addition, no evidence was seen regarding the utilisation of the difference.

Official's Response

The Commanding Officer, Joint Logistics Unit stated that the documents in support of rice distribution to the RSLAF for operation and training were available for audit inspection

The Committee

The Committee recommends that the Commanding Officer, Joint Logistic Unit (JLU) should forward documentary evidence in support of the difference of one thousand, four hundred and sixty four (1464) bags of rice amounting to Le236, 093,790 within 30 days after the adoption of this report by Parliament.

23. MINISTRY OF DEFENCE-SOUTH (2012)

Non-Retirement of allocations from MOD Headquarter

The total sum of Le72,656,000 in respect of monthly/quarterly allocations made by the MOD through the Joint Forces Commander (JFC) were without adequate retirement details.

The Committee

The Committee recommends that the Brigade Commander should ensure that all allocations made to the 5th Brigade are properly retired and accounted for in accordance with the Financial Management Regulation. He should also ensure that retirement details for the sum of Le72,656,000 are submitted to ASSL for verification within 30 days after the adoption of this report Parliament.

24. MINISTRY OF DEFENCE NORTH (2012)

Records of fuel consumption not made available for audit inspection

There were no records such as request forms, fuel chits and register to explain the consumption of 26,276 litres of fuel by the various units of the 4th Infantry Brigade.

The Committee

The Committee recommends that management of the 4th Infantry Brigade should institute the use of request forms, fuel chits and register, all of which must be retained for audit and reference purposes.

Deductions from the salaries of junior staff without authority

Deductions were made from the salaries of junior members of staff/cleaners without any form of authority from the management of the military. This practice started in July 2011 and continued till July 2012. The total deductions from the salaries of those junior staff members amounted to Le6,108,000.

The Committee

The Committee recommends that the Brigade Commander in collaboration with the Payroll Division of the Ministry of Defence ensured that deductions made from the salaries of junior staff members from July 2011 to July 2012 are refunded to the actual beneficiaries. Salaries paid to junior staff members should be in accordance with the terms and conditions of service of the Ministry of Defence.

Rice distribution list not made available for inspection

Three hundred and twenty four (324) bags of rice were distributed by the Brigade Headquarters to military personnel for the months of February and June 2012. However, the distribution list to indicate the military personnel who benefited from the rice was not made available for inspection.

The Committee

The Committee recommends that the Brigade Commander forwards the rice distribution list to ASSL for verification within 30 days after the adoption of this report by Parliament. Also records showing the distribution of rice and other consumables must be retained for audit and references purposes.

25. MINISTRY OF HEALTH & SANITATION HQ (2012)

Distribution of phone cards without recipient's signatures

Phone cards amounting to Le 18,000,000 were distributed, for which recipients' signatures were not provided.

Official's Response

The PS stated that the respective documents were available then for inspection.

The Committee

The Committee recommends that the PS should submit evidence of distribution of phone cards in the form of recipients' signatures, within 30 days after the adoption of this report by Parliament; otherwise the amount in question must be refunded into the CRF and evidence forwarded to the ASSL.

Salaries paid to staff that have attained the retirement age

The sum of Le 65,863,424 was paid to staff who had attained the retirement age.

Official's Response

The PS stated that information on retired officers was received late and in some cases extensions of services were approved subsequently by relevant authorities. He mentioned that the finance section of the MOHS had confirmed that deletion of four staff had been done and the others would be deleted in November; due to late receipt of notification. On the aspect of refunds, he said that modalities were already in place to ascertain affected staff.

The Committee

The Committee recommends that the PS must ensure that a mechanism is put in place to stop the payment in question and retrieve the amount already paid from such staff or be deducted from any benefit/pension due them.

26. CONNAUGHT HOSPITAL (2012)

Receipt books not submitted by revenue collectors

Twenty-four (24) receipt books issued to revenue collectors were not returned. Their value was estimated at Le45,500,000.

Official's Response

The HM said that the twenty four (24) receipt books in question had been retrieved from the out gone Finance Officer and were available then for verification.

The Committee

The Committee recommends that the Finance Officer should ensure that all receipts books given to collectors are returned and also all receipt books must be made available for verification within 30 days after the adoption of this report by Parliament, or the amount of Le45,500,000 refunded into the hospital's account.

Cash Book not properly maintained

Some entries in the cashbooks were made in pencil.

Official's Response

The HM said that the entries in the hospitals cash book in pencil were done by the Revenue Collector when he was out of the country on official matters. He said that he had ensured that those mistakes were regularised and available for verification.

Revenue and proceeds allegedly paid to bank and the CRF

For revenue amounting to Le621,357,876 bank statements were not presented to confirm that the said amount was banked. The auditors were also not able to confirm that Le32,500,000 representing 5% of the revenue generated was paid into the CRF as bank paying-in slips were not presented for inspection.

Official's Response

The HM said that the said amount was indeed deposited in the hospital's account under his supervision. The revenue collectors he noted, were denied requesting for the bank statements because they were not signatories to the account. He said that he had formally requested for the bank statements and they were available for verification. According to the HM since he assumed office he had ensured that 5% of whatever was collected as revenue was transmitted to the CRF. The paying slips in respect of the said amount he noted were available for verification.

The Committee

The Committee recommends that the Finance Officer ensures that all revenue generated is paid into the bank accounts of the hospital. In addition, evidence relating to the payment or usage of the Le621,357,876 must be made available for verification within 30 days after the adoption of this report by Parliament or, the said amount must be refunded by the Finance Officer.

Documents not presented for audit inspection

The following documents were not produced to the audit team for inspection: bank statements for accounts numbered; 007-0014802244401 Eco Bank, 01-3001-11-0200008364 SLCB and complete set of the other accounts: bank reconciliation statements, cheque stubs, records on the operation of the ambulances, minutes of management meetings, minutes of drugs and therapeutic committee meetings.

Official's Response

The HM said that bank statements and monthly reconciliations of the said accounts were available but were locked up in his cabinet when he was away. The said documents were available for verification. Also, he said that efforts had been made by the Hospital Management to get the minutes of all management meetings held and they were available for inspection.

The Committee

The Committee recommends that the said documents should be made available for inspection or verification by the Hospital Care Manager within 30 after the adoption of this report by Parliament. Also the Secretary to Drugs and Therapeutic Committee was also asked to make available minutes of meetings for verification.

Drugs procured for the Hospital and not put into Use

Regular drugs amounting to Le7,897,500 and Free Health Care Drugs valued at \$13,701 were procured and not consumed. Upon inspection, the auditors noted that those drugs had also been expired but had not been disposed of.

Official's Response

The HM stated that the pharmacist had his own method of disposing expired drugs and that he had been contacted on this issue.

The Committee

The Committee recommends that the pharmacist should provide plausible explanation, within 30 days after the adoption of this report by Parliament.

Reagents and other working instruments not supplied to the Laboratory and Dental Units

Reagents and instruments needed for the running of the laboratory and the dental units were not supplied to the units.

Official's Response

The HM said that the said contract was awarded by the Hospital Management.

The Committee

The Committee recommends that reagents and consumables should be made available to those units for the effective execution of their work and that the Hospital Care Manager must provide documentary evidence on why reagents and consumables were not provided to those units. Also, it was also recommended that the processing tank in the X-ray unit should be replaced within thirty days of the receipt of the report.

Contracts Awarded not Completed

Contracts which were awarded for the rehabilitation of the Dialysis Unit amounting to Le250,691,043 and the rehabilitation of the Connaught Hospital amounting to Le1,231,694,200 were not satisfactorily executed. There was a leaking roof in the Dialysis Ward, damaged toilets, and fans not in working order in the Hospital, while a work completion certification had been issued to the contractor. However, interviews with some personnel revealed that the consultant in post had taken up the rehabilitation of the unit, from her own personal funds. A generator was procured for the Hospital but has still not been installed.

The Committee

The Committee recommends that the Procurement Officer of Ministry of Health and Sanitation, should submit a written explanation as to why those contracts were not

satisfactorily carried out or refund the amount of Le250,691,043, and Le1,231,694,200 for the rehabilitation of the Dialysis Unit and Connaught Hospital respectively. Also, it was recommended that the Facilities Officer should provide an explanation as to why the generator had still not been installed.

Unverified Staff Members and Incomplete Attendance Register

Eighty-two (82) staff members did not show up for verification. Pages were removed from the attendance register and dates were not in order. Salaries paid to those staff amounted to Le834,421,980.

Official's Response

The HM said that the matter had been forwarded for the attention of the Matron

The Committee

The Committee recommends that the Matron should provide an explanation as to why pages were removed from the Attendance Register. Those staff members should also make themselves available for head count verification by the auditors in the next financial audit; otherwise, their names would be recommended for deletion from the payroll.

Poor Environmental and Sanitary Facility in the Hospital

The environment of the hospital had the constant smell of urinary waste and was infested with rats and cockroaches. In addition, the toilet facilities in the wards were not good and most of the fans in the wards were not working whilst the sum of Le332,000,000 had been paid to a contractor (AFWEN) for the cleaning of the wards. The auditors observed that the monitoring of the cleaning was difficult as the terms and conditions of the contract agreement were not known by the end users.

Official's Response

The HM said that the audit recommendations on the matter had been noted and the personnel concerned had been in complete.

The Committee

The Committee recommends that the Hospital Care Manager should address those anomalies and also the Facilities Officer must submit the contract agreement for the cleaning of the hospital within 30 days after adoption of this report by Parliament.

27. OLA DURING CHILDREN'S HOSPITAL (2012)

Diet Short-Supplied

A difference of Le 125,706,650 was observed between the schedule of requirement and the Diet Receipt Ledger for the period under review.

Official's Response

The MS stated that the items short supplied had been delivered and evidence of that was ready for verification.

The Committee

The Committee recommends that the Medical Superintendent should ensure that the amount of Le125,706, 650 must be recovered from the supplier within 30 days after the adoption of this report by Parliament and evidence of recovery forwarded to the ASSL for audit verification.

No Strict Internal Medical Waste Control System

Even though several recommendations had been made in the past for the Hospital Management to institute written guidelines regarding the management of medical waste, no such action was taken. It was also noted with dismay that in some instances medical waste (Including sharp object and used needles) were not separated from the general waste that was eventually transported to a general dumping site. Furthermore, there was a garbage dumping spot closer to the Hospital premises designated for the transfer of rubbish, even though, the Hospital through the Freetown City Council, was paying the Freetown Waste Management Company, a total amount of Le 3,000,000 per month for the clearing and transfer of rubbish to the general dumping site. In order to prevent the spread of communicable diseases and to mitigate the risk associated with medical waste.

Official's Response

The MS said that modalities had been put in place and would be ready for the next audit for 2013 financial year.

The Committee

The Committee recommends that the Hospital Management should make every effort to develop an internal Medical Waste Management Policy. Such a policy would address issues relating to the identification of the various forms of waste, the storage, transporting and the risks associated with medical waste which would will have the benefit of ensuring that all the concerned parties are aware of the cause of action to take when dealing with waste.

Review of the Free Health Care System

The following were observed:

- Due to the presence of the Free Health Care Programme, the wards were congested;
- There were instances where more than two patients of diverse diseases were clustered on a single bed;
- There was a serious shortage of medical doctors at the Hospital;
- There were only three doctors attending to an overwhelming number of patients;
- Interviews with key personnel revealed that doctors were usually not on duty at night; and
- Several patients of diverse ailments were using one oxygen cylinder at the same time.

The Committee

The Committee recommends that the responsible officers at the Ministry of Health and Sanitation should ensure that the other health centers are equipped to handle referred cases in order to avoid the clustering of patients. In addition, the Ministry of Health and Sanitation should put mechanisms in place to address the chronic shortage of doctors at the Hospital.

28. PRINCESS CHRISTIAN MATERNITY HOSPITAL (2012)

Poor Condition of the Store

The store was poorly ventilated and shelves were not adequate as some drugs were scattered on the floor, and no fire extinguisher was at the store.

Official's Response

The MS stated that Management was working hard to ensure that the above anomalies and other deficiencies in the operation of the store were rectified. He mentioned that the pharmacist who supervised the store had the mandate to deal with those issues, most of which had been addressed.

The Committee

The Committee recommends that the Medical Superintendent should remedy the situation as quickly as possible.

Congested Labour Ward

The Labour Ward was congested and untidy as there were more patients than beds.

Official's Response

The MS said that the labour ward had four beds which were definitely insufficient for the large number of patient visiting the hospital. Therefore the hospital accepted short stay admissions.

The Committee

The Committee recommends that the Medical Superintendent must expedite action to remedy the situation.

Poor Waste Management

Medical waste was not properly managed in the Hospital as a lot of wastage was observed around the compound. In order to mitigate the risk associated with medical waste.

Official's Response

The MS stated that the hospital was generally small for the number of patients who visited it; because of tremendous influx of patients. He further said that, it was extremely difficult to get people to place waste in the bin.

The Committee

The Committee recommends that the Hospital Management should make every effort to develop an internal medical waste management policy and such a policy should include how waste must be, transported and disposed of.

29. PRIMARY HEALTH CARE TONKOLILI DISTRICT (2012)

Fuel Allocation not brought to Account

A comparison of the fuel allocations received from the Tonkolili District Council and the amount of fuel consumed by the PHC Tonkolili District revealed a difference of Le18,508,000 that was not brought to account.

Official's Response

The DMO stated the issue was as a result of the late disbursement of the first and second quarterly allocation of funds in 2012 and because of that, the sector took fuel on loan to carry out health activities. He said that the amount might have been for the fuel the sector used before the allocation. He however promised that the Primary Health Care would ensure that records in respect of fuel were properly maintained in the future.

The Committee

The Committee recommends that the DMO should account for the sum of Le18,508,000 within 30 days after the adoption of this report by Parliament; otherwise, the whole amount must be refunded. Furthermore, all allocations made to the PHC Tonkolili District in respect of fuel should be properly accounted for.

Revenue from the sale of Cost Recovery Drugs not brought to Account

A comparison of the Supply Vouchers of cost recovery drugs and the Bank Statements revealed that the sum of Le89,365,048, in respect of the sale of cost recovery drugs by the PHUs, was not brought to account.

Official's Response

The DMO stated that upon the audit finding, the District Health Medical Team of the Primary Health Care conveyed a meeting and came up with a decision that all the defaulted PHUs should be called to a meeting in November 2013 to inform them that defaulted PHUs would not get access to their PBF funds until their debts were honored, failing to do so, the DMO would write to the Ministry of Finance through the Permanent Secretary, Ministry of Health for the said amounts to be deducted from the salaries of the defaulters. The DHMT came to realize that some PHUs paid without taking their pay-in-slips to either the Finance Officer or the District Pharmacist. He mentioned that those issues would be discussed in the meeting.

The Committee

The Committee recommends that the DMO should give a full account of the outstanding balance in respect of the cost recovery drugs sold within 30 days after the adoption of this report by Parliament; otherwise, the sum of Le89,365,048 must be immediately refunded. Also, the DMO should ensure prompt payment of revenue generated from the sale of cost recovery drugs into an authorized bank account of the Ministry of Health and Sanitation.

30. PRIMARY HEALTH CARE BOMBALI DISTRICT (2011)

Fuel allocation not brought to account

A comparison of the fuel allocations received from the Local Councils and the amount of fuel consumed by the PHC Bombali District revealed a difference of Le20,014,000 that was not brought to account.

Official's Response

The DMO stated that the fuel allocations to the PHC from the Local Councils were paid directly to the filling station and all records for the use of fuel were available with the Transport Officer and Finance Officer.

The Committee

The Committee recommends that the DMO should account for the sum of Le20,014,000 within 30 days after the adoption of this report by Parliament, otherwise, the whole amount must be refunded and also all allocations made to the PHC Bombali District in respect of fuel should be properly accounted for.

31. PRIMARY HEALTH CARE BOMBALI DISTRICT (2012)

Records of outstanding Cost Recovery Drugs not made available

A comparison of the value of cost recovery drugs supplied to the Primary Health Units for sale and the bank statements revealed that the sum of Le48,553,900 was still outstanding. The auditors also noted that the returns from those PHUs, in respect of the outstanding balances, were not made available for audit inspection.

Official's Response

The DMO stated that it was a stated policy that revenue in respect of Cost Recovery Drugs must be paid into the Cost Recovery Account as soon as sales were done, but most In-Charges were now doing their payments with receipts forwarded to the Pharmacist at the District Medical Stores and copies available with the Finance Officer.

The Committee

The Committee recommends that the District Medical Officer (DMO) should give a full account of the outstanding balances in respect of the cost recovery drugs; otherwise, the sum of Le48,553,900 must be immediately refunded. Also, the DMO should ensure that the revenue generated from the sale of cost recovery drugs must be promptly banked. The PHC Bombali District should also be furnished with returns in respect of outstanding balances on a regular basis and those returns must be retained for audit and reference purposes.

Deceased Staff Members still on Staff List

The names of five (5) deceased staff members were still appearing on the official staff list and payroll of the PHC Bombali District. The total amount that had been paid to those deceased staff members from the date of death to date (according to information from the Accountant General's Department) was Le25,312,350.

Official's Response

The DMO stated that all deceased staff members were reported immediately to the Finance Office and Human Resource Management Office (HMRO) of the Ministry of Health and Sanitation. He mentioned that monthly payment for all staff working was done according to the daily attendance register sent to the HRMO and there was a column for deceased staff that was filled monthly by the Monitoring and Evaluation Officer even when their names were appearing.

The Committee

The Committee recommends that the DMO should ensure the following:

- The deceased staff names should immediately be removed from the Official Staff List of the PHC and the details should be forwarded to the Accountant General for the deceased names to be removed from the payroll;*

- *The Le25,312,350 that had been paid into the deceased accounts from the date of death to date should be recovered and paid into the CRF within 30 days after the adoption of this report by Parliament; and*
- *Also, information on deceased staff members should immediately be forwarded to the Accountant General's Department for prompt action to be taken.*

Vehicles and Motor Bikes not Licensed and Insured

It was observed that fifteen (15) motor bikes and two (2) motor vehicles used by the Office of the DMO were not licensed and insured for the period under review.

Official's Response

The DMO stated that vehicles and motor bikes licenses and insurance were funded by the Councils on a yearly basis and the Transport Officer had forwarded all licenses and insurance documents to the Councils for action to be taken.

The Committee

The Committee recommends that the DMO should ensure that all the vehicles and motor bikes owned and controlled by the PHC Bombali District are licensed and insured with immediate effect, and the evidence should be forwarded to ASSL for verification.

32. GOVERNMENT HOSPITAL MAGBURAKA (2011)

Records of diets and firewood not maintained

The Hospital did not make available any record in the form of store ledgers, request forms and distribution list, to justify how diets and firewood supplied to them for Le182,383,238 were consumed/utilized.

Official's Response

The Hospital superintendent replied that records relating to the utilisation of diets and fire wood had been maintained based on the recommendation.

The Committee

The Committee recommends that the Medical Superintendent should provide all the records in respect of diet consumption to the Audit team for verification within 30 days after the adoption of this report by Parliament; otherwise, the full amounts should be refunded and also the Medical Superintendent should ensure the maintenance of records of all diets received and consumed by the Hospital.

33. MAKENI GOVERNMENT HOSPITAL (2011)

Book/Duplicate copies of receipts not maintained

It was observed that the book copies of thirty four (34) receipts, with an estimated value of Le970,000 were blank.

Official's Response

The Medical Superintendent stated that the observation was true as they had checked the receipt books and confirmed that the duplicate carbon copies were blank. He said that was a problem they had inherited and because they considered the matter to be serious, they had instituted a monitoring mechanism wherein, all receipts books returned by various collectors were thoroughly checked by the Finance Officer to ensure that all carbon copies were clearly written.

The Committee

The Committee recommends that the Medical Superintendent should submit the details of the receipts in question to the ASSL and the amount of Le970,000 refunded to the hospital account. Also, book copies of all receipts issued for the collection of revenue must be maintained for audit and reference purpose.

Fuel used for non-official purposes

It was observed that 116 gallons of fuel, valued at Le2,030,000, were given to people who were not employees of the Hospital.

Official's Response

The Medical Superintendent said that that was a matter they considered very serious, since the hospital was in much need of fuel always. He however said that after discussion with the Transport Officer they noted that the fuel in question was used during the joint monitoring exercise with other health related partners.

The Committee

The Committee recommends that the Medical Superintendent should account for the fuel consumption within 30 days after the adoption of this report by Parliament and the evidence forwarded to the ASSL for verification and also fuel meant for official purposes should not be put into private use.

34. GOVERNMENT HOSPITAL KENEMA (2012)

General Observations

The general management and condition of the Kenema Government Hospital was far from being pleasant. This was evidenced by the following observations:

Paediatric Ward:

- Beds for hospitalised children were insufficient; the situation resulted in bed sharing;
- There was poor ventilation and low visibility in the Ward; and
- No electricity, water and toilet facilities existed for hospitalised children.

Male Ward:

- There was no toilet facility for hospitalised patients, resulting in the use of plastic kettles for defecation;
- There were no trolleys for the movement of medication within the Ward

Surgical Ward:

No electricity and toilet facilities existed for hospitalised patients.

Laboratory:

Basic equipment and consumables like needles, syringes and gloves that should facilitate the smooth and efficient delivery of medical services to patients were not available.

Store:

The following were observed:

- The floor space for the proper storage of drugs was insufficient;
 - Air conditioners required for the recommended temperature of drugs were not available;
- and

There was no shelf, electricity and furniture for the efficient running of the store.

Official's Response

Regarding the Paediatric Ward, the MS stated that the overcrowding of patients in the ward was due to the free Health Care Service. He said that the ministry of Health and Sanitation had decided to extend the ward to accommodate the increase with beds which would solve the issues queried.

He further mentioned that management had solicited funds from the City Council to re-wire the entire and other facilities mentioned.

Regarding the Male Ward the MS stated that the bad state of the toilet facilities of the ward was as a result of the cesspit that felled. He however said that they had constructed a new one which was now in use and two new toilets had been supplied to the said unit for use.

For the Surgical Ward, he mentioned that the electricians of the said ward had taken care of the situation and the toilet facilities were to be done by either Goal S/L or SAWACO within a very short time as promised.

Regarding the Laboratory the MS stated that the basic equipment and consumables had been supplied by the Ministry of Health and Sanitation, GLOBAL Fund and International Rescue Committee to facilitate the smooth and efficient delivery of Medical Services to patients.

In the area of Stores the MS stated that the Hospital had no standard that would be able to have all those facilities but the Hospital Management and the Kenema City Council had decided to be rehabilitating existing structures until they were able to contract a standard facility as budgeted in the 2014 Health plan.

The Committee

The Committee recommends that the Medical Superintendent should ensure that the needs of the various Hospital units are met to facilitate the smooth and efficient delivery of medical services to the general public. This recommendation must take effect immediately after this report is adopted by Parliament.

35. GOVERNMENT HOSPITAL –BO (2012)

Inadequate Doctors and other specialists

There were inadequate medical and other specialist doctors assigned to the Hospital. In an interview with a key hospital management personnel, it was revealed that only three (3) doctors were assigned to the hospital during the period under review and that one (1) of them was on maternity leave. In addition, the audit team made several visits to the Hospital at night and it was noted that there was no doctor on duty or one on call at night in case of emergency. Assigned nurses were however always on duty during those visits. It was however noted, throughout the night visits, that the Pharmacy was closed, making it impossible for patients to access drugs in cases of emergencies at night.

Official's Response

The HM stated that the Chief Medical Officer in the Ministry of Health and Sanitation was making efforts to address the issue by sending adequate doctors and other specialists to the Bo Government Hospital. He mentioned that the Hospital Management had also taken action on doctors on call at night in case for an emergency and that management had addressed the opening of the Hospital Pharmacy to 24 hours daily.

The Committee

The Committee recommends that the Chief Medical Officer in the Ministry of Health & Sanitation should ensure that adequate doctors and other specialists were assigned to that hospital. Furthermore, the Hospital Pharmacy must be opened 24 hours daily.

36. DISTRICT MEDICAL OFFICE –BO (2012)

Inadequate Control over Revenue Administration

An evaluation of the control over revenue administration in the Births & Deaths Units revealed that printed receipt books were not taken on charge in the Accountable Documents Register.

Official's Response

The DMO stated that the Accountable Register was now in use, and all printed receipt books had been taken on charge including printed materials received from the Government Printer in adherence to audit observations.

The Committee

The Committee recommends that the DMO should supervise the posting of receipt books received into the Accountable Documents Register for accountability and control.

Inadequate control over the distribution and usage of fuel

The Ministry could not account for fuel costing Le136,113,500 as no form of a log book/operating record or fuel register was maintained.

Official's Response

The DMO stated that there were operation log books to all vehicles attached to that sector and a fuel register where fuel consumed; purchased by both the City and District Councils were recorded and maintained. He mentioned that all the books for fuel verification may not have been verified for evidence at the time of audit. However the relevant documents referred to were readily available to ascertain the evidence of fuel consumed for verification.

The Committee

The Committee recommends that the Finance Officer forwards a detailed breakdown and evidence of how Le136,113,500 was utilised to the ASSL within 30 days after the adoption of this report by Parliament; otherwise, the amount stated above must be refunded.

Inadequate control over the issue of drugs and other medical supplies

There were instances where store items issued using the manual GRIN Cards were not updated in the Channel Delivery System operated by the IT Unit in the District Store. In addition, significant errors were noted in the information relating to the Cost Recovery Drugs generated by the Channel Delivery System operated by the IT Unit in the District Store. In some instances the cost of drugs indicated on the printed and signed Channel Delivery was far greater than the actual cost of drugs supplied and received by selected Health Units. Furthermore, the stock records in respect of each item entering the District Medical Store and its distribution list were not submitted for inspection.

Official's Response

The DMO stated that management acknowledged the auditors findings of disparity between the actual cost recovery drug quantities and the high prices allocated to them. He said it was as a result of typographical error but that had now been rectified by the IT Channel operator and the actual equivalent costs that must be paid made available to all the facilities that benefited from the cost recovery supplies. He also mentioned that management affirmed the auditor's observation that stock records in respect of each item entering the District Medical Store and its distribution list were not submitted for inspection. He said that it was as a result of inadequate logistics in term of paper and print cartridge to print out the requested document under the review period. He however assured that the soft copy of the document was available for inspection.

The Committee

The Committee recommends that the DMO should ensure that the I.T. Channel Operator and the District Pharmacist are properly supervised and the Channel System periodically interrogated by the DMO, by comparing the reports generated with the supporting documents. If any discrepancies occurred, it should be investigated. The Storekeeper should also submit the relevant stock records to ASSL for verification within 30 days after the adoption of this report by Parliament.

General observation of the peripheral health units (PHUs)

The DMO was to ensure that a thorough review was done on PHUs operations in the district. Appropriate measures/actions must be taken to upgrade their operations by addressing the few observations that had been raised in the report.

Official's Response

The DMO stated that management acknowledged the findings made regarding selected centres visited and that some centres were indeed provided with Solar panels, unfortunately those had been carted away by thieves, for which reports were made both to headquarters and the police. He said that frantic efforts had been made to supply both fuel and lubricants to few centres provided with generators for alternate power supply; particularly BENMOCK Centres. He mentioned that the few vehicles available to promote Health Care delivery service in the District had almost outlived their usefulness because of depreciation and topography outlay of the road network could not be overemphasized. He further said that motor-bikes supplied to the Health facilities had actually eased the problems of mobility particularly hard to reach areas; but those also needed periodic maintenance. The limited funds provided for the repairs and maintenance of vehicles and motor bikes were absolutely inadequate, hence compounding the problems of mobility, he stressed. He however mentioned that management would ensure a thorough review of the operations of the PHU's in the District thereby enhancing appropriate measures to upgrade their operations and would address the few observations raised by ASSL.

37. MINISTRY OF FOREIGN AFFAIRS (2010 – 2012)

Payment to staff who had attained the statutory retirement age

A review of the personnel files and records of staff revealed that payments totalling Le 50,299,091, and \$ 120,093 were made to staff at the Ministry's Headquarters and local staff in overseas mission who were over sixty years or had attained the statutory retirement age. In addition, there was no evidence of extension letters given to staff who had attained the statutory retirement age. However, a review of staff personnel files revealed that relevant documents such as appointment letters, public service commission recruitment forms and birth certificates of dependants of staff were not seen in some files.

Official's Response

The PS stated that the observation for local staff at the Missions abroad may be true because there were variations between the retirement age of the host countries and Sierra Leone, as some countries like Germany and the United States of America had their retirement age at sixty-five years or over. More so, local staff members of their Embassies were covered by the labour regulations of the host country, over which they had no direct control. He said with regards to Headquarters, every effort was being made by the HRO to bring to the attention of the HRMO the names of all members of staff who had attained the retirement age. He mentioned that names of those discovered by the auditors were an oversight, for which appropriate measures had been taken to avoid such occurrence.

The Committee

The Committee recommends that the Director General should inform the Human Resource Management Office in writing-off staff who had attained the statutory retirement age for necessary action and submit copies of extension letters to local staff who were still in post and had attained or exceeded the statutory retirement age of 60 years, within thirty (30) days of the receipt of the report; otherwise, the amount should be refunded.

Mismanagement of Public Property

It was observed that ambassadors, Members of Parliament, Cabinet Ministers and public officers failed to surrender their diplomatic passports and Government properties when they were recalled, dismissed, sacked, terminated and not re-elected.

Official's Response

The PS said that it was true that Ambassadors, Cabinet Ministers, public officers, members of parliament did not normally surrender their diplomatic passports when recalled, dismissed, sacked, terminated or not re-elected. He said it was because the life of a Sierra Leone passport

was five years and some of those passports would have expired by the time the officers would have been recalled, dismissed, sacked terminated or not re-elected. He said that nonetheless, efforts would be made to retrieve diplomatic passports from officials recalled dismissed, sacked terminated or not re-elected even before the expiration of such passports. In the case of Government properties at headquarters not being surrendered by recalled, dismissed, sacked, terminated or not re-elected officers, he said the Ministry had no records of any recalled, dismissed, sacked, terminated or not re-elected officer hanging on to Government properties of that Ministry.

The Committee

The Committee recommends that all identity cards, passports and other government properties in the possession of public officers who had been dismissed, recalled, not re-elected and terminated should be surrendered within thirty days of the receipt of the report.

Mismanagement of fuel allocated

Valid vehicle life cards and insurance certificates for staff who benefited from fuel distribution were not submitted for audit verification. The amount involved for the period under review totalled Le 389,590,000.

Official's Response

The DG stated that that may be true in some areas but in the context of not providing ten gallons to offices of grade seven and above per week, it was due to the fact that the foreign ministry had a large number of staff within that grade. He therefore stated that the policy adopted was that ten gallons were provided for grade 10 and above, eight gallons for grade 9 and five for grade 8 and 7 respectively.

The Committee

The Committee recommends that the Director of Administration should adhere to the Government Policy and guidelines on the distribution of fuel. He should also produce for audit verification, insurance certificates and vehicle life cards of fuel beneficiaries within 30 days after the adoption of this report by Parliament; otherwise, the total amount must be refunded to the CRF.

38. MINISTRY OF FISHERIES AND MARINE RESOURCES (2012)

Revenue not brought to Account

There was a difference of Le 692,435,378 between the Ministry of Fisheries and Marine Resources (MFMR) Cash Book and that of the NRA Cash Book. In addition, the amount of \$140,000 in respect to fines levied on Fishing Vessels for various infractions was not posted in

the Ministry's Cash Book and also not found in the Bank Statements submitted for inspection. Furthermore, it was observed that revenue in the sum of Le906,306,032 in respect of local discharge and fines was still outstanding as at 31st December, 2012. There was also no evidence like minutes and attendance list/records to substantiate or indicate the Committee's approval for the reduction of fines levied on fishing vessel- F/V Puyu 6016 from \$20,000 to \$10,000.

Official's Response

The PS stated that the reconciliations was carried out between NRA Cash Book and MFMR Cash Book and the difference of Le692,435,378 was due largely to the under-casting and transposing of certain figures. The receipts he said, had subsequently been made available in the Ministry for details of the postings done in both books of accounts. He also mentioned that there was a correspondence for the reduction in fines levied on vessel F/V Puyu 6016 from \$20,000 to \$10,000 which was paid into the Fisheries fines account.

The Committee

The Committee recommends that the PS should ensure that the amount involved is recovered from the Companies and evidence of recoveries forwarded to the ASSL for verification.

Under - Assessment of Licenses and Royalty

The calculations for the payment of licenses and royalties by the Ministry were found to be inconsistent with the standard rates stipulated in the calculation schedule. The calculation of licenses and royalties were under-assessed by \$80,316 and \$29,380 respectively for the year under review. The fishing companies paid less than what they should have paid.

Official's Response

The PS stated that the calculations done by MFMR were in accordance with the 15% concession on royalties given to the companies which was based on the yearly fees on both licenses and royalties and was in accordance with the Fisheries Regulations. He also pointed out that calculations for yearly fish schedules were different from monthly calculations which the Audit team used.

The Committee

The Committee recommends that the amount involved should be recovered from the fishing companies within 30 days after the adoption of this report by Parliament and evidence provided to the ASSL for verification.

Non delivery of outboard Engine

An advance payment of Le117,073,299 (30% of \$88,900 i.e. \$26,000 @ Le4,389.70) was made to Isabrim Enterprise on 30th April 2012 on PV 7868 for the purchase of 16 Yamaha Outboard

Motor/Machine Engines. However, as at 31st May 2013 (five months after the contracted delivery date) the outboard engines were not delivered by the supplier.

Official's Response

The PS said that the supply of outboard engines was in progress with seven (7) engines already in (30/5/13) out of sixteen to be supplied. The remaining nine engines were yet to be supplied, he further mentioned.

The details of the supplied engines were as follows:-

- Yamaha Outboard Engine, 15Hp, 2-stroke, long shaft*
- Yamaha Outboard Engine, 40Hp, 2-stroke, long shaft*

The PS also stressed that the Internal Audit had verified the seven outboard engines supplied and noted that to date, only 30% payment had been made to the supplier.

The Committee

The Committee recommends that the PS should ensure that the engines are supplied within stipulated contract time.

Supply of wrong specification of fishing net procured

The audit team observed that Fishing Nets costing Le1,690,637,795 were not in conformity with the specifications in the bidding documents.

Official's Response

The PS stated that the specification of fishing nets referred to the length, depth, and mesh sizes of the netting material supplied were in accordance with the specifications stipulated in the bidding document. He added that the fishing materials supplied had been supplied in bigger units of bundles rather than smaller units. Which he said, did not affect the quantity and quality of nets required in the bidding document and considering the requirement of fishermen in respect of fishing materials, the fishing materials supplied were quite suitable and appropriate.

The Committee

The Committee recommends that the PS should ensure that the correct specifications as per contract agreement and delivery notes be supplied by the contractor.

Fishing gears issued out of store without authorised request

It was observed that fishing gears costing Le899,132,000 were issued out of the store without the approved requisition and the names and signatures of recipients.

Official's Response

The PS stated that records on the supply of fishing materials to Fisheries Stations had lately been available in the office for inspection.

The Committee

The Committee recommends that the Acting Assistant Director of Fisheries should provide the relevant documents where the recipients signed for the items received within 30 days after the adoption of this report by Parliament.

Issue of stores items without recipients' signatures

It was observed that store items costing Le336,678,700 were issued from the Youyi Building store without any evidence to indicate the names and signatures of the recipients.

Official's Response

The PS replied that action had been duly taken

The Committee

The Committee recommends that the Store Keeper should produce the relevant evidence where recipients signed for the items received; otherwise, the amount involved must be refunded into the Consolidated Revenue Fund.

**39. MINISTRY OF SOCIAL WELFARE, GENDER AND CHILDREN'S AFFAIRS
(2011)**

Wrong procedure in the issuance of Fuel

Six thousand six hundred (6600) litres of fuel, costing Le29,950,000 were not entered in the Fuel Register. In addition, fuel chits, vehicle life cards and insurance certificate were not made available to the auditors to support the utilisation.

Official's Response

The PS stated that the quantity of fuel had been recorded in the fuel register and those fuel chits, vehicle life cards and insurance certificates were available for audit verification.

The Committee

The Committee recommends that the PS should ensure the refund of the fuel in question or the total amount with evidence forwarded to the ASSL for verification within 30 days after the adoption of this report by Parliament. Also fuel must be posted in the Fuel Register and the relevant documents retained for audit or reference purposes.

Bank Statements and list of Bank Accounts not presented for inspection

A list of the Ministry's bank accounts and bank statements for 2011 was not submitted for audit review which was contrary to section 18 of the Audit Service Act of 1998.

Official's Response

The PS stated that bank statements for the various accounts with the Ministry had been obtained from the banks and retained for audit verification.

The Committee

The Committee recommends that the PS should ensure that the list of bank accounts and bank statements showing the withdrawals totalling Le2, 041,173,072 and \$ 2,657,846 were made from the seven (7) bank accounts should be submitted for verification within 30 days after the adoption of this report by Parliament.

40. MINISTRY OF SOCIAL WELFARE, GENDER AND CHILDREN'S AFFAIRS EASTERN REGION (2011)

Public Funds not brought to Account

The total sum of Le6,461,000 in respect of quarterly allocations made by the Kenema District and City Council was not brought to account.

Official's Response

The Regional Gender Officer stated that the Ministry operated under two sectors; Social Services and Gender Sectors and funds received from two councils were shared between the Principal Social Development Officer for Social Services and the Regional Gender Officer for Gender issues; for which each Sector implemented activities and liquidated to the councils separately. He said that in respect of the discrepancy of Le 6,461,000 observed by the auditors, it was not known whether the discrepancy was from the Social Services Sector or from the Gender Sector. He however mentioned that the Ministry's accountant was working frantically with the councils to ascertain which of the sectors the shortcomings came from, and promised to report back to the ASSL with the required answers within two weeks from receipt of the response.

The Committee

The Committee recommends that the Principal Social Development Officer Kenema should ensure that all public funds/expenditures are properly accounted for, in accordance with the regulation; in addition, the relevant documentary evidence, in respect of the unaccounted funds must be forwarded to the ASSL within 30 days after the adoption of this report by Parliament.

Unpresented Documents

The under-mentioned documents were not made available for audit inspection:

- Staff personal files;
- Fuel register;
- Fuel chits;
- Handing over notes from the Gender Officer; and
- Information for allocations from Central Government.

Official's Response

The Regional Gender Officer said that all the requested documents were available for inspection.

The Committee

The Committee recommends that the Principal Social Development Officer should develop a systematic filing system for the safe custody of all accountable documents by putting shelves and control ledgers in place to monitor the inward and outward movement of documents; and the above documents must be forwarded to ASSL for verification within 30 days the adoption of this report by Parliament.

41. MINISTRY OF INTERNAL AFFAIRS (2011-2012)

Inadequate control over the utilization of fuel

Out of the total amount of Le143,200,000 paid for fuel for the period under review, only Le91,699,000 was supported by fuel chits, leaving a balance of Le51,501,000 not brought into account. In addition, a comparison of the Integrated Financial Management Information Systems printout and the Fuel Station Ledgers/Records revealed an over statement in the Fuel Station records of Le5,500,000 for the period under review. Furthermore, it was difficult to understand why a fuel station at Ross Road in the East end of Freetown was contracted for the supply of fuel to the Ministry that was located at Percival Street in the central business district. It was observed that three (3) different fuel stations were contracted for the supply of fuel to the Ministry.

Official's Response

The PS stated that the total sum of fuel paid for to the Sierra Leone National Petroleum Company by the Ministry for FY 2012 was Le86,000,000. He said that part of the fuel paid for in FY 2012 to the tune of Le2,500,000 was utilized only in FY 2012 and that was due to error of transaction that took place between the Bank of Sierra Leone and one of the Company's bankers (Sierra Leone Commercial Bank). He mentioned that the total sum of fuel utilized for FY 2012 was Le88,521,491, balance brought forward from 2011 (Le21,491) inclusive and not all the fuel

paid for in 2012 was used; it was carried forward to 2013 and was used up to June, 2013. He further said that the remaining chits for the period were ready for audit verification/inspection and the Ministry had taken action to be dealing with a fuel station, nearest to the Ministry. He however said that the problem happened as a result of the misunderstanding that erupted between the Ministry and the Sierra Leone National Petroleum Company fuel station at the time which was later resolved in favour of the Ministry.

The Committee

The Committee recommends that a fuel station that was far from the Ministry should not be contracted for the supply of fuel and the unverified fuel chits for the sum of Le19, 001,000 must be submitted for audit verification within 30 days after the adoption of this report Parliament.

Top-Up-Cards distributed to senior officers not signed for by beneficiaries

There was no evidence in the form of ledgers, distribution list or list of beneficiaries to support the amount of Le60,204,000 utilized for the purchase of phone cards for the period under review.

Official's Response

The PS mentioned that the non-submission of the list of beneficiaries was an oversight which he deeply regretted; he however said that those documents had been made available for verification.

The Committee

The Committee recommends that all top up cards used for official purpose must be signed for by the beneficiaries as acknowledgement of receipt and the PS should submit the evidence to support the utilization of Le60,204,000 within 30 days after the adoption of this report by Parliament.

42. PROVINCIAL SECRETARY'S OFFICE – EASTERN REGION (2012)

Inadequate control over the distribution and usage of fuel

The Management of the Provincial Secretary's Office was not following Government prescribed policy on fuel. There were no control mechanisms in the form of fuel chits and fuel register to monitor and reconcile the receipt and usage of fuel totalling Le116,350,000.

Official's Response

The PS stated that the office was going through a restricting process and policies and procedures were being reviewed currently by the Ministry. In terms of control there was some

form of register maintained at the filling station that accounted for all fuel issued. He mentioned that evidence of that was now available for verification.

The Committee

The Committee recommends that the Provincial Secretary should ensure the following:

- That the Government prescribed policy on fuel is adhered to;*
- That monthly/quarterly fuel reconciliation is prepared on a regular basis;*
- That details of all fuel received and issued are appropriately recorded in the Fuel Register; and*
- That documentary evidences to support the utilization of fuel should be produced within 30 days after the adoption of this report by Parliament.*

43. PROVINCIAL SECRETARY'S OFFICE NORTHERN REGION(2012)

Deplorable state of Government Quarters

The Government Quarters were deplorable. We observed that the doors and windows were broken; the roofs were leaking; and the internal conditions were far from being pleasant. It was also observed that some quarters were occupied by illegal occupants while others were in a dilapidated state.

Official's Response

The PS stated that the contract for the rehabilitation and construction of Government Quarters was awarded in Freetown and as such, details of contract and other arrangement never came to his knowledge. He however mentioned that they are making frantic efforts to fully get the relevant information and the collapse of the contractor's activities would be known.

The Committee

The Committee recommends that the Provincial Secretary should ensure that all illegal occupants are evicted from those quarters with immediate effect. He should in collaboration with the Ministry of Works factor the estimates for the refurbishment of all Government quarters in the Bombali District into the annual budget.

44. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT (2011-2012)

Bank Statements not Submitted.

It was observed that cash books and bank statements for three accounts, were not submitted to the audit team for inspection.

The Committee

The Committee recommends that the Accountant should maintain a cash book, monthly bank statements and bank reconciliations and the Vote Controller must produce the requested documents for all three accounts for audit verification within 30 days after the adoption of this report by Parliament.

Lack of monitoring and supervision of projects

It was observed that there was no evidence that supervision was provided for the following projects GOBIFO PROJECT, JICA and LED PROJECT for audit supervision.

Official's Response

The PS replied that the Ministry did not have direct hands in the activities of the project but only did superficial oversight of the projects.

The Committee

The Committee recommends that the Vote Controller should produce supervisory or monitoring reports for all projects supervised over the period under review, within thirty days of the receipt of the report.

Outstanding payment for the printing of Local Tax Receipt Books not recovered

Money owed to the Ministry by local councils in respect of local tax receipt books issued to them for the period under review, which amounted to Le22, 627,400 was not collected by the Ministry. In addition, Store Issue Vouchers for the distribution of the local tax receipt books to the councils were not presented for audit inspection.

Official's Response

The PS explained that although there was no store issue voucher, the Ministry kept records of Local Tax Receipt books printed and issued to the Chiefdom Administrations. He added that the Ministry had since put modalities in place to have Store Issue Vouchers in respect of Local Tax Receipt Books. The outstanding amount reflected in the report as regards the amount owed to the Ministry were Local Tax Receipt Books that were not sold by the Chiefdoms he further mentioned. He said in concluding that the Directorate of Local Government had made arrangements for the unsold books to be returned to head office for review.

The Committee

The Committee recommends that the PS should put a debtors' circularisation in place and the total amount collected and also the Vote Controller must ensure the use of a store issue voucher for local tax receipts books.

General Observation

The following were observed:

- A Master Inventory/Fixed Assets Register was not maintained to keep a record of all assets acquired by the Ministry;
- Upon physical verification of assets held by the Ministry using the Asset Listings developed by the Internal Auditors, it was observed that several assets were missing;
- The total sum of Le 37,095,000 was used for the purchase of assorted items and the maintenance of official vehicles of the Ministry in 2011. However, certificates of fitness from Road Transport Authority for the maintenance of those vehicles were not attached to the Payment Vouchers nor were the vehicle numbers and specifications attached;
- Vehicle Log Books and a list of official vehicles were not produced for audit inspection and the items said to have been purchased for maintenance as stated above, were not recorded in the Allocated Store Ledger;
- From physical verification carried out in the store it was observed that the store ledger was not updated with every purchase of office items;
- The system of documentation, record keeping and filing at the Ministry was very poor;
- Documents requested were not signed for, authorized or maintained, files were not maintained for the maintenance and updating of a Fixed Assets Register, a Donation Register and Location Inventories.

The Committee

The Committee recommends that all the issues mentioned should be addressed within 30 days after the adoption of this report by Parliament.

45. MINISTRY OF EMPLOYMENT LABOUR AND SOCIAL SECURITY (2011&2012)

Non Compliance with the Factory and General Law

A review of the list of all factories obtained from a survey conducted in 2011 indicated that 1488 factories were operating in the country and that only 203 registered and renewed their licences with the factory division in the Ministry. Among the Non-compliant factories, 800 larger ones owed the Government an estimated revenue of Le2,202,000,000.

Official's Response

The PS stated that an internal policy for the collection of revenue for both Work Permit and factory had been established. He said that the attention of factory owners has been drawn to the issue of outstanding revenues. He added that meetings had been held with various factories for further verification of payments to be effected. The deadline notices issued to each factory owner for payment was within two weeks and during their meeting with factory owners, they had

agreed that before invoking section 49 of the Factories Act of 1974, the list of all defaulters would be published in newspapers and relevant action taken promptly thereafter.

The Committee

The Committee recommends that the PS should ensure that an effective system of collecting revenue from factory owners in respect of factory registration fees must be established and the estimated outstanding revenue of Le2,202,000,000 recovered and paid over to the NRA within 30 days after the adoption of this report by Parliament.

Thirty Eight (38) unregistered Factory Owners

It was also observed that 38 factory owners obtained work permits from the Ministry of Labour for their foreign employees but did not register their factories with the factory division. As a result, estimated outstanding revenue of Le164,000,000 was owed to the Government by the factory owners.

The Committee

The Committee recommends that the PS and Chief Inspector should invoke Section 49 of the Factories Act, 1974 on defaulters so that the estimated outstanding revenue of Le164,000,000 could be recovered from the factory owners and paid into the Consolidated Fund.

Non-Renewal of Factory Registration

There was an estimated outstanding revenue of Le14,240,000 which was as a result of the non renewal of registration of 32 factories by factory owners during the period under review. In addition, no evidence was seen that the Factory Inspector levied fines on the Factory Owners for non-compliance in 2011.

The Committee

The Committee recommends that the PS should ensure that the Chief Inspector collects the outstanding revenue amounting to Le14,240,000 from those factories within 30 days after the adoption of this report by Parliament.

Foreign Employees without Work Permit

Section 34c (1) of the General Law (Business Start-up) 2007 provides that, “An employer intending to employ a non-citizen shall apply to the Committee for a permit in the prescribed form, not less than six months before the intended arrival in Sierra Leone of the person for whom the application is made.”The list obtained from the Ministry of Finance and Economic Development disclosed that out of 79 Registered International Non Governmental Organisations (NGOs), only 16 obtained work permits from the Ministry of Labour for their foreign employees, during the period under review. Sixty-three (63) NGOs did not comply with the relevant legislation, hence an estimated outstanding revenue of Le63,000,000 had to be paid to NRA.

Official's Response

The PS replied that he had noted the provisions under the Business Start-Up Act of 2007 and had brought that to the notice of mining companies and other business entities to abide by the law.

The Committee

The Committee recommends that:

- ***That the PS should ensure that the Commissioner of Labour enforced the relevant regulation to obtain work permits by foreign workers; and***
- ***That the PS should ensure that the estimated outstanding revenue of Le63,000,000 should be recovered from the International NGOs and paid to the CRF.***

Inspection not carried out on factories by the factory division

During the period under review, inspection was not carried out on larger factories (mining companies, cell phone companies, private owned petroleum, etc.) by the Factory Inspectorate because the existing items of equipment used by the Factory Division were out dated. As a result, Government lost an estimated revenue of Le 961,500,000 from 725 larger companies.

Official's Response.

The PS stated that effort would be made to discuss the need for adequate funding to facilitate the inspections of larger companies listed.

The Committee

The Committee recommends that the PS should provide the Factory Division with the necessary logistics and equipment to carry out its inspection effectively.

Revenue not brought to account

A difference of Le182,716,674 was observed between the Work Permits Register and the NRA cashbook.

Official's Response

The PS stated that an attempt had been made by the officer in charge to reconcile the statement between the work permit register and NRA cash book. He also said that they had noted the colossal amount to be reconciled particularly in the area of sales of Application Forms and had called for a meeting between the NRA and the Ministry for a final reconciliation of the Audit observation.

The Committee

The Committee recommends that the Officer in Charge of Work Permits must prepare a reconciliation statement between the Work Permits Register and the NRA cashbook in respect of the outstanding amount of Le182,716,674 and investigate any variance.

No criteria maintained for staff recruitment

Criteria were not established by the Social Safety Net Unit for the recruitment of staff. In addition, staff appointment letters were not submitted so that the auditors could verify the terms and conditions by which 29 staff members in the Social Safety Net were employed. Furthermore, total salaries paid for the period under review amounted to Le779,029,000.

Official's Response

The PS said that the personnel who was handling staff personal files was on vacation at the time of the audit. He however mentioned that staff appointment letters and other relevant documents had been made ready for verification. On the issue of beneficiaries he said that necessary action would be taken with the Ministry of Finance and Economic Development.

The Committee

The Committee recommends that the Director, Social Safety Net Unit, should produce those documents for verification. And also MoFED should allocate funds in respect of the beneficiaries as those were the aims of establishing the SSN.

Store documents not submitted for audit inspection

There was no documentary evidence such as store receipt voucher, issued voucher, distribution list, etc, to indicate that store items purchased to the tune of Le118,145,700 for the period under review were received and distributed to the various divisions.

Official's Response

The PS said that documentary evidence in support of receipt of the said items had lately been made available for verification.

The Committee

The Committee recommends that the PS should forward to the ASSL documentary evidence in support of the receipt totalling Le118,145,700 and distribution of the store items to the various units to the for verification within 30 days after the adoption of this report by Parliament.

Lack of Supervision

It was observed that:

- The fines stated for defaulters (non compliance) in the Factories ACT of 1974 were so low that they would cost defaulters nothing if they were prosecuted in the Industrial Court;
- The Employer and Employee Act of 1960 used in the Industrial Relations Division for settlement of industrial issues between employers and employees needed to be revised;
- The Commissioner of Labour did not take action geared towards the amendment of the above outdated Acts;
- The Commissioner of Labour did not carry out supervision on the activities of Work Permits and the Factory Inspectorate Division;
- There was the lack of coordination between the Ministry and the Immigration department in respect of the inflows of all foreigners working in the country;
- The Internal Audit Unit did not do any work on the Ministry's revenue generation; and
- The List of all foreign employees in the country obtained from a survey conducted by the Ministry of Labour in 2011 was not submitted for audit inspection, despite several written and oral requests.

Official's Response

The PS stated that action had been taken before to revise the obsolete labor laws. He however, mentioned that the International Labour Organization (ILO) had consented to assist the Ministry in the process of reviewing the obsolete labour laws. He expressed the hope of initiating a meeting with the Ministry of Finance and Economic Development to review the non-tax rate as speedily as possible. On the issue of regular consultations with the CIO, the PS mentioned that he had discussed the recommendation with the Minister of Labour who promised to hold a meeting with his colleague Minister of Internal Affairs at political level. The outcomes of that meeting he said, would inform a joint consultative meeting with experts of both ministries and divisions for further implementation on residence and work permit fees. The PS said, on the issue of Internal Auditing, that the Ministry strongly agreed with the recommendations and the audit of revenue generation formed an integral part of the Internal Audit FY 2013 Annual Work Plan. He said that internal audit unit was currently auditing the operations of the Work Permit Bureau. On the issue of submitting a list of foreign employees, the PS said that efforts were well underway to make the said document available for further verification upon receiving it from the consultant. He added that from records, the Ministry had an outstanding payment for consultancy which militated against the release of the aforementioned document. He however said that they would prevail on them to release those documents accordingly.

The Committee

The Committee recommends the following:

- ***That the Permanent Secretary and the Commissioner of Labour should establish a system to amend the necessary areas in the Act, so that obsolete fines in the ACT could be updated, (which can also be considered as new area for the collection of Non Tax Revenue);***

- *That the Commissioner of Labour should regularly supervise and monitor the activities carried out by those Divisions and produce quarterly reports for the attention of the PS;*
- *That the Permanent Secretary and the Commissioner of Labour should hold regular consultations with the Chief Immigration Officer on the inflows of foreigners residing in the country for employment purposes;*
- *That the Internal Audit Department should be adequately resourced in terms of manpower, training and logistics, in order to ensure regular internal audit work on revenue generation; and*
- *That the Permanent Secretary should ensure that the Commissioner of Labour submits the list of foreign employees for audit verification within 30 days after the adoption of this report by Parliament.*

46. MINISTRY OF TRADE AND INDUSTRY (2011-2012)

Loan issued to 59 small and medium sized entertainments

Documentary evidences such as business status, details and due dates of repayments, terms and conditions for selection, cashbook, control ledger in the Ministry, bank reconciliation and bank statement to indicate the withdrawal of Le12,004,793,056 issued to 59 Small and Medium Sized Enterprises (SME) were not submitted to the auditors for inspection. In spite of several requests by the audit team, the business proposal/project documents were not submitted for inspection.

Official's Response

In his response, the PS stated that documentary evidence to justify the amount of Le12,004,793,056 issued as loan to 59 SMEs had been submitted to the Audit team during the audit exercise. Both the Memorandum of Understanding (M.O.U) and the updated lists of beneficiaries of the SMEs loans scheme he said were submitted to the audit team. He therefore mentioned that the Ministry would again submit the M.O.U. and the updated lists of beneficiaries of the SME loan scheme including statements as requested. He said that the M.O.U. was the document governing the implementation of the SME loan scheme and referred to the obligations of the Bank in the M.O.U. Business proposals were submitted directly to the Sierra Leone Commercial Bank by applicants and potential beneficiaries were trained by the Bank and disbursement to SMEs was done by the Bank and not the Ministry of Trade and Industry, he concluded.

The Committee

The Committee recommends that the PS should ensure that those documents are produced for audit verification. The PS was also advised that copies of reconciliation statements in respect of balances on individual loan accounts of Small and Medium Sized Enterprises are to be submitted for audit verification.

47. MINISTRY OF TOURISM AND CULTURAL AFFAIRS (2011-2012)

No expenditure returns for Monument And Relics Commission And The Sierra Leone International Theatre Institute

Bank Statements, Cash Book and expenditure returns were not submitted to support the utilisation of Le 58,440,652 in respect of allocation paid to the Monuments and Relics Commission for the period under review. It was also noted that expenditure returns were not submitted to support the utilisation of funds amounting to Le 23,492,425 for the subvention paid to the Sierra Leone Centre of the International Theatre Institute.

Official's Response

The PS stated that Bank Statements and expenditure returns had all been submitted to a member of the audit team. However, the Agency was willing again to provide copies of all supporting documents relating to that expenditure for further verification, he added. He also said that management had noted the recommendation on the issue of the cashbook and the Commission was subsequently maintaining one, which was available for audit verification. He further said that the relevant supporting documents relating to that expenditure were submitted to the auditors but were again available for further verification.

The Committee

The Committee recommends that the Commissioners should ensure that those documents (balance of Le12,773,500) should be made available for audit verification.

48. ACCOUNTANT GENERAL'S DEPARTMENT (2012)

Procurement Rules Flouted

A review of procurement documents revealed the following observations:

- Le152,409,750 worth of procurements were done with businesses whose NRA Tax Clearance Certificates had expired before payments were effected.
- Le58,933,520 worth of procurements were done with businesses with no NRA Tax Clearance Certificates.
- Le586,559,180 worth of procurements were done with businesses that did not submit NASSIT Clearance Certificates for at least two workers.

Official's Response

The AG stated that the first two findings were partly an oversight on the part of the auditors as some of the updated tax clearances were in the respective folders maintained for each of the retainers and mistakingly on the part of the AGD those were not attached to the respective

payment vouchers. All documentations he said, had immediately been put in place and were ready for audit inspection. He also mentioned that NASSIT clearance certificates were not obtained for those transactions because that had not been a mandatory document in the normal business process. That certificate was normally set as a requirement in procurement using the NCB method, he concluded.

The Committee

The Committee recommends that:

- *All relevant documentations, Quotations, Proforma Invoices, Tax and NASSIT Clearances should be made available for audit inspection. In addition, management should ensure that all payment vouchers have adequate supporting documents, for completeness and compliance.*
- *Management should ensure that all maintenance of vehicles should be certified by SLRTA before and after repairs.*

49. OFFICE OF THE VICE PRESIDENT (2012)

Documents Not Submitted For Audit Inspection

The office of the Vice President failed or refused to provide the under mentioned documents for audit inspection:

Contracts worth Le101,304,096 awarded to Yabiz International and Kokobeh Enterprise for the feeding of security officers at both the residence and office of the Vice President. The following were requested but not presented:

- copies of receipts issued for the sale of bids;
- bank paying-in-slip confirming that the amount generated from the sale bid documents was banked intact;

It was also observed from PV No 2421, 2422 and 2423 that the adjustment mechanism used for the computation of per diem for three personnel was at 35% instead of the correct rate of 25%. This led to a total over payment of per diem of Le 3,388,615.

Official's Response

The Secretary to the Vice President stated that there were no copies of bank paying-in slips or receipts with regards monies generated from the sale of bids and regarding the payment vouchers, he said those were raised in respect of an official trip to Saudi Arabia by the Honourable Vice President and entourage from 12th-17th August, 2012.

The Committee

The Committee recommends that all requested documents should be produced for audit verification within 30 days after the adoption of this report by Parliament

50. CABINET SECRETARIAT (2012)

Daily subsistence allowance calculated wrongly

It was observed from two payment vouchers (PV049257 and PV 049258), relating to attendance at the Young African Professionals Programme in Tanzania from 12th to 16th November, 2012 that Daily Subsistence Allowance (DSA) adjustment mechanism of 45% applicable only to Ministers was used to adjust the DSA of the Secretary to Cabinet giving rise to an additional costs of \$320.

Official's Response

The Secretary to Cabinet stated that the Daily Subsistence Allowance (DSA) adjustment mechanism of 45% was applicable only to Ministers and not the Secretary to the Cabinet and Head of the Civil Service. He stressed that the adjustment mechanism of 45% for the payment of DSA was not for Ministers alone but also to Civil/ Public Servant on Grade 14 and above which included the Secretary to the President, the Secretary to the Cabinet and Head of the Civil Service, the Director General, Human Resource Management office, the Financial Secretary, and the Clerk of Parliament.

The Committee

The Committee recommends that the Secretary to Cabinet should explain why his DSA adjustment was done likewise.

Officers without contract gainfully employed

A review of payroll documents presented for audit inspection revealed that two employees who had attained the statutory retirement age of 60, had their contracts extended up to the Financial Year 2011. However, there was no evidence to suggest that their contracts were extended in 2012, even though they were included in the Department's payroll for the entire financial year. The total costs in the Consolidated Fund in salaries for the period under review were Le7,297,536.

Official's Response

The Secretary to Cabinet stated that the HRMO was yet to issue the extension letter for FY 2012. He mentioned that a reminder had been sent to that office and a reply was being awaited.

The Committee

The Committee recommends that the Secretary to Cabinet provides evidence supporting the decision of his office to retain the services of those retired officers; otherwise, the cost of their salaries must be disallowed and surcharged.

51. HIGH COURT OF SIERRA LEONE (2011)

Accountable Documents Not Produced For Audit Inspection

Documents relating to various expenditures and operations of the department were requested for during the audit. However, as at the time of writing of the report, the documents were still unavailable.

Official's Response

The Master and Registrar stated that the accountable documents mentioned were misplaced at the time of the audit exercise. He said fortunately those documents had been recovered and were available for inspection and verification.

The Committee

The Committee recommends that the Master and Registrar should ensure that the requested documents are provided for audit verification within 30 days after the adoption of this report by Parliament.

Lack of proper control over the distribution of fuel and oil

An examination of fuel documents presented for audit inspection revealed that a generator register and vehicle log books were not maintained by the department.

Official's Response

The Master and Registrar stated that the recommendation of the Auditor General will be strictly adhered to and that the generator register and log book system had been introduced were now available for verification.

The Committee

The Committee recommends that the Master and Registrar should introduce a generator register and log book system with immediate effect for all vehicles and generators.

Poor Payroll Administration

A review of payroll documents presented for audit inspection disclosed that seven personnel who had attained the compulsory retirement age of sixty years, were still gainfully employed, and without evidence to support their continuous employment.

Official's Response

The Master and Registrar stated that the seven personnel concerned were contract workers approved by Human Resource Management Office (HRMO). Their letters of appointment, he mentioned, would be made available for verification.

The Committee

The Committee recommends that the Master and Registrar provides documentary evidence to justify the continued employment of the affected staff; otherwise, the Accountant General should ensure that necessary action is taken.

Project Documents Not Produced For Audit Inspection

Project documents relating to various expenditures and operations of the Project were requested for during the audit. However, as at the time of writing this report, the documents were still unavailable.

Official's Response

The Master and Registrar stated that the donors who sponsored the projects were with all the documents for final auditing during the audit exercise. He mentioned that the audit exercise was ongoing by the donor partners but the documents would be produced immediately they were available.

The Committee

The Committee recommends that the Consultant Master and Registrar should ensure that the requested documents are provided within 30 days after the adoption of this report by Parliament.

52. APPEAL COURT OF SIERRA LEONE (2011)

Accountable Documents not produced for audit inspection

An attendance register was requested for during the audit, but was not made available.

Official's Response

The Master and Registrar stated that he was going to ensure that all requested accountable documents were produced for further verification especially the Attendance Register.

The Committee

The Committee recommends that the Master and Registrar should produce this document within 30 days after the adoption of this report by Parliament.

Lack of proper control over the distribution of fuel and oil

An examination of fuel documents presented for audit inspection revealed that a generator register and vehicle log books were not maintained by the Department.

Official's Response

The Master and Registrar stated that he would ensure that a generator, vehicle register and log book systems were immediately put in place for audit inspection.

The Committee

The Committee recommends that the Master and Registrar introduced a generator register and log book system with immediate effect.

53. SUPREME COURT OF SIERRA LEONE (2011)

Accountable Documents not produced for audit inspection

An attendance register was requested for during the audit, but was not made available.

Official's Response

The Master and Registrar stated that he was going to ensure that all requested accountable documents were produced for further verification especially the Attendance Register.

The Committee

The Committee recommends that the Master and Registrar provides the requested documents within 30 days after the adoption of this report by Parliament.

Lack of proper control over the distribution of fuel and oil

An examination of fuel documents presented for audit inspection revealed that a generator register and vehicle log books were not maintained by the department.

Official's Response

The Master and Registrar said he was going to ensure that generator, vehicle register and log book systems were immediately put in place for audit inspection.

The Committee

The Committee recommends that the Master and Registrar introduces a register and log book system with immediate effect for all vehicles and generators.

54. JUDICIARY EASTERN REGION (2012)

Inadequate control over the management, collection and banking of revenue

The NRA receipts presented indicated that the total sum of Le64,995,000 was generated from fines and other acquittal charges levied on those sentenced by the Judiciary during the period under review. However, the NRA Office at the Magistrate Court in Kenema did not provide any evidence in the form of bank statements to confirm that that amount was either paid into a bank account authorised by the Accountant General or into the CRF.

A review of the records from the Prisons Department, Kenema revealed that Discharge Files/NRA receipts in respect of fines and acquittal charges totalling Le2,940,681 were not made available for audit, which resulted in the auditors not being able to verify whether those fines and acquittal charges were collected before inmates were discharged / released from detention.

Official's Response

The Magistrate stated that the Judiciary Kenema did not have an NRA office at the Magistrate Court. He said that all court fines were paid by the accused person's parents directly to the NRA office and Magistrate court clerks only prepared payment slips and would ask the accused relative to pay at the office of NRA and bring six (6) photo copies of the payment receipt from NRA for their records. He mentioned that the Le 64, 995, 000 receipts for which Bank Statements were not made available must be the sole responsibility of the NRA office. The stressed that fines and acquittal charges totalling Le 2, 940,681 that were not made available for audit must be accounted for either by the Prisons Department or NRA office Kenema.

The Committee

The Committee recommends that the Deputy Master and Registrar should ensure that:

- ***That revenue collectors must be properly supervised and their work reviewed on a daily basis***
- ***That all public funds must be recorded in an appropriate accounting record and properly accounted for, in accordance with the existing regulation;***
- ***That records at the Magistrate Court in respect of fines and acquittal charges must be regularly reconciled with the records at both the NRA Office and the Prisons Department and any discrepancy investigated and corrected accordingly;***
- ***That all revenue generated from fines and acquittal charges, must be promptly paid into the CRF held at the Bank of Sierra Leone and no use of such funds should be made by any staff in any manner between the time of its receipt and payment into the bank; and***
- ***That the NRA Officer at the Magistrate Court Kenema must provide a detailed explanation together with the necessary documentary evidence to support the findings highlighted.***

55. SIERRA LEONE POLICE (HQ) (2012)

Review of operational policies and its implementations

It was observed that a number of withdrawals were made from the Staff Welfare and Peace Keeping Funds, in order to meet normal operational expenses while waiting for government subvention (with the intention of refunding same), but were not refunded on the arrival of such subvention. The amount involved was Le127,549,000 and \$219,045.

Official's Response

The Inspector General in his response said that the sum of \$219,045 would be refunded immediately when third quarter allocation were allocated to the SLP.

The Committee

The Committee recommends that the Assistant Inspector General Support Services should provide explanation regarding the use of Staff Welfare and Peace Keeping Funds to meet operational expenses.

Own source revenue not paid into the CRF

It was observed that the sum of Le 2,462,595,000 was collected as own source revenue generated by the SLP, but not paid to the CRF and without permission from the MoFED not to do so.

Official's Response

This was the response of the Inspector General:

“By tradition, the role of the Sierra Leone police and all other police force all over the world is to protect life ,property prevent and detect crimes , maintain law and order, apprehend and prosecute offenders and enforce all laws. However, these duties cannot be successfully accomplished without the requisite logistical and financial support. In the case of Sierra Leone police the bulk of such support had over the years come from Government until after the end of the rebel war in the country that donors including the Department for International Development (DFID) through the Commonwealth Community Safety and Security Project (CCSSP) intended to face lift the Sierra Leone Police to the level of other forces by providing both the logistical and financial support needed. Presently, donor support has been drastically reduced leaving Sierra Leone Police. As such the Sierra Leone Police has to identify legitimate means of supplementing its resources. Against this background a project titled “REVENUE GENERATION IN THE SLP” was identified in 2006 and was subsequently approved by the Executive Management Board (EMB). Identify means to and ways by which funds can be generated for the Sierra Leone Police in a bid to augment shortfalls of its financial allocation. It was also recommended that 25% of revenue generated is to be paid out to personnel who are

deployed for such operations/activities in the form of incentives. Therefore the generation of this fund was approved by both the EMB and Police Council chaired by no less a person than Vice president of the Republic of Sierra Leone. This fund has augmented the daily police operation and enhanced effective service delivery, the revenue generation fund is also open to audit from both Internal and external Auditors for transparency and accountability. However the SLP Management will ensure that they obtain concurrency from the Accountant General for use of the said fund.”

The Committee

The Committee recommends that the SLP should produce written evidence as to why monies collected as owned source revenue were not paid into the CRF and therefore excluded from the Public Accounts.

Officers who had attained the retirement age

It was observed that there were one hundred and eighty-four (184) officers on the SLP payroll during the year under review. Those officers had attained the compulsory retirement age of 60 before the start of the year, and there was no documentary evidence to extend their contract. The amount paid to those officers in the year 2012 amounted to Le 845,890,860.

Official’s Response

The IG stated in his reply that the same issue came up in the 2011 Audit Service Sierra Leone audit on the Sierra Leone police, and Parliament was informed about the significance of the personnel retention up to date. He however said that Management had taken cognizance of the recommendation and in future the HRMO would be informed about any personnel to be retained after the retirement age of 60 years or a letter of extension would be written and placed in their files indicating why their services were still required. He also said that a new condition of service had been given financial concurrence by the Accountant General and was at that time awaiting cabinet and parliamentary approval. On approval at the shortest possible time, they would all be sent on retirement thereby benefitting from the new terms and conditions of service for all serving members and those going on retirement, he concluded.

The Committee

The Committee recommends that the Human Resources Officer at the Sierra Leone Police should inform the HRMO of staff who had attained the statutory retirement age of 60 years and/or had an extension letter in their files indicating why their services were still required.

56. SIERRA LEONE POLICE EASTERN REGION (2012)

Poor Stores Management

Delivery notes to justify that seven hundred and forty-one (741) uniforms were actually received, were not submitted for audit. In addition, there was not enough floor space in the store, therefore

items were scattered and untidy and the store lacked facilities for the safe keeping of store's documents.

Official's Response

The AIGER stated that the accountability on documentation has been done.

The Committee

The Committee recommends that the Assistant Inspection General, Eastern Region (AIGER) should ensure that delivery notes are obtained for all items delivered to the store and the store must be properly rehabilitated and defects highlighted rectified without delay.

Unpresented Documents

Bank statements in respect of issuance of clearances and police reports, receipt books and accountable documents register were not submitted for inspection in spite of several requests by the auditors.

Official's Response

The AIGER stated that all the documents mentioned above were not in existence but, since it had been pointed out by the Audit Team, management had made tremendous effort to put in place all the system as highlighted.

The Committee

The Committee recommends that the requested documents should be forwarded to the Audit office for verification.

57. SIERRA LEONE POLICE – SOUTHERN REGION (2012)

Inadequate control over the collection, recording, banking and reporting of financial transactions

There were no database/lists or contract agreements for armed guard security services provided by the SLP in the Southern Region. In addition, bank statements and pay-in-slips were not available to confirm whether the sum of Le249,600,000, being revenue generated by the SLP South for the provision of armed guard security services to various institutions and individuals was paid into the SLP Revenue Account No.1100666 at the Bank of Sierra Leone .

Official's Response

The AIGSR stated that there was adequate control, recording and banking of cash collection for revenue generation in respect of missing items reported at the Criminal Investigation Department (CID) Bo which receipts and bank paying slips were available to ascertain the fact.

He added that the inadequacy of control over financial transactions often occurred in the area of payments done by the banks and other institutions that were provided with Armed Guard Security services. With the exception of Sierra Leone Commercial Bank Ltd Bo, all other banks and institutions in Bo were being paid for by their head offices in Freetown directly to the Revenue Generation Department at Police Headquarters, or at the Bank of Sierra Leone in Freetown with no reference to the Regional Police Headquarters Bo for record purposes, he added. He mentioned that as a result of those short falls, there was always an inadequate control over the payment, recording, banking and reporting of proper financial transaction by the Regional Police Headquarters Bo particularly with institutions in Bo whose Head Offices in Freetown paid directly on their behalf. Statement of Account of payments made into the Sierra Leone Revenue Account No.1100666 at the Bank of Sierra Leone for the period under review was now available for verification, he concluded.

The Committee

The Committee recommends that the Assistant Inspector General Southern Region(AIGSR) should ensure that a database of all contracts for the provision of armed guard security services is created and contract agreements maintained for reference purpose; revenue generated from the provision of armed guard security services and other streams must be paid directly into an account authorized by the Accountant General, and that the bank statements and pay-in-slips should be forwarded to ASSL for verification.

Poor Stores Management

Requisitions were not submitted to support various items, totalling Le18,150,000, issued from the SLP Regional Store by the Regional Storekeeper.

Official's Response

The AIGSR stated that requisitions and store issue vouchers for items issued from the store totalling to the amount stated above were left in Freetown after conveyance of items to Bo and were not available at the time of the audit. The requisitions together with the Store Issue Vouchers had however been retrieved and were ready for inspection, he mentioned.

The Committee

The Committee recommends that the Regional Storekeeper should ensure that all materials issued out of store should be supported by requisitions and Store Issue Vouchers with recipients' acknowledgment attached.

Welfare Fund Policy Not Followed

Paragraph 11.2 of the SLP Welfare Fund Policy requires that upon the death of a serving member, the sum of Le500,000 be given to the next of kin as death bonus. It was however noted that this provision was not followed in the payments of death benefits in respect of 16 serving

members during 2012. The sum of Le1,000,000 instead of the stipulated Le500,000 as indicated in the Policy was paid to next of kins. In addition, an unclaimed amount of Le1,000,000 in respect of Welfare payment to a deceased officer was not acknowledged by the next of kin and there was no evidence that that amount was refunded into the Welfare Account.

Official's Response

The AIGSR stated that the Welfare Fund Policy of 2005 stipulated Le 500,000 as death bonus to next of kin. This policy, he said, had been revised and paragraph 12.2 of the Revised SLP Welfare Fund Policy stated that upon the death of a serving member, the sum of Le1,000,000 should be given to the next of kin as death bonus. He mentioned that the payment voucher of One Million Leones was prepared in respect of the death of Late Sgt 518 Foday S in the name of his daughter Isata Senesie as next of kin who collected the Cheque for funeral arrangements but did not sign her name, neither did the Finance Officer take note of the mistake. He further mentioned that the next of kin had been searched for to sign the payment voucher as an acknowledgement, but could not be easily found as she was presently staying at Ngiehun Village in the Malema chieftdom, in the Kailahun District where the deceased hailed from. To err is human; this mistake was done in good faith with no intention to fraud. The issue is considered unfortunate as it was done out of ignorance, he concluded.

The Committee

The Committee recommends that the AIG should ensure that the provisions in the Welfare Fund Policy are strictly adhered to and that the extra payments and unclaimed benefits are recovered and paid back into the Fund.

Inadequate control over the distribution and usage of fuel

Recipients' signatures to prove that 1,872 litres of fuel were received by intended/rightful beneficiaries were not seen in the Fuel Register.

Official's Response

The AIGSR stated that distribution list of fuel to various beneficiaries was commensurate to the quantity of fuel received from Police headquarters. Distribution lists of 46,760 liters together with the fuel invoices were available for inspection, he concluded.

The Committee

The Committee recommends that the AIG should ensure that the issue of fuel was acknowledged by recipients and that the 1,872 liters of fuel is accounted for by the officer in charge of fuel within 30 days after the adoption of this report by Parliament.

58. NATIONAL STADIUM MANAGEMENT (2011-2012)

Payment vouchers not submitted for audit inspection

Upon examination of documents submitted for audit inspection, it was observed that no payment vouchers were prepared for the expenditure from the National Stadium Account Number 100307 at the Sierra Leone Commercial Bank. The total amount spent without the use of a payment voucher system amounted to Le715,803,570.

Official's Response

The GM stated that the Ministry of Sports had conducted its internal inspection of the accounts of the National Stadium and confirmed that the accounting process in the stadium management was not properly carried out. He added that frantic efforts could be made to the effect so that those documents were made available for audit inspection.

The Committee

The Committee recommends that the GM must ensure that payment vouchers in respect of Le 715,803,570 are produced for audit verification within 30 days after the adoption of this report by Parliament otherwise, the full amount should be refunded into the National Stadium Management's bank account.

Differences between receipts and bank paying in slips

It was observed that Le99,014,430 was the difference between what was collected as per receipt books and what was banked as per the paying-in slip, as bank statements were not provided.

Official's Response

The GM stated that the documents had subsequently been made available for audit inspection.

The Committee

The Committee recommends that evidence must be provided to account for the difference; otherwise, that amount should be refunded into the Stadium Management's account at the Sierra Leone Commercial Bank.

Employees deduction not paid to NASSIT Account

It was observed that the 5% NASSIT deductions from employees earnings were made but not paid over to the Trust. The total amount deducted but unpaid, totalled Le 34,720,263.40.

Official's Response

The GM stated that management was putting measures in place to settle the payments on installment basis on terms to be agreed upon with NASSIT. The agreed plan would be made available for ASSS's attention, he added.

The Committee

The Committee recommends that the Vote Controller should ensure the immediate payment of the said amount to NASSIT and evidence of payment forwarded to the ASSL.

59. SIERRA LEONE STATE PRISONS HQ (2011-2012)

General Environmental Condition

Poor General Environmental Condition

The auditors observed the following during their visit to the Pademba Road Prison:

- the body-scanner at the main entrance of the prison was not functioning;
- the reception and store where new prisoners' records were kept were untidy, disorganized and located in a building that was burnt down in 2007;
- there was no pipe-borne water in the prison; and
- the conditions at the carpentry workshop, bakery and hospital were deplorable.

Official's Response

The Director of Prisons stated that the scanner in question was given to the department by the special court which was a specialised one that needed the contract of a specialist, but which the department didn't have. He said that they had made frantic efforts to contract one but there was none so far to take it up. He also said that since the Pademba Road was a maximum prison, they received prisoners every day and the reception office was very small to accommodate over 1650 prisoners records. The Administration, he said, was doing its best to match up with the congestion as the Pademba Road Prisons itself was built for just 324 inmates. However, the relocation of the prison will be an ideal solution. The problem of pipe-borne water was still a challenge to the department as the construction of the hill side by pass road at the back of the prison had created the problem. However, the administration had a water bowzer that fetched water every day for the prison's utilisation, he mentioned. He stressed that the obsolete state of some of the Machines, equipment and the dilapidated nature of the workshops within the prison, did not necessarily imply that the rehabilitative aspect had been ignored, rather, the department was doing its utmost within its limited available resources to ensure the inmates were rehabilitated.

The Committee

The Committee recommends that the Director of Prisons should take necessary action to improve on the environmental conditions of the prison.

60. SIERRA LEONE PRISONS-SOUTHERN REGION (2011 & 2012)

Inadequate control over the receipt and issue of diet

Examination of selected transactions and records in respect of diets supplied to the regional prisons revealed that there was no documentary evidence to indicate that monthly requisitions were raised for the use of 840 bags of rice and 300 bags of flour during 2011 and 909 bags of rice and 318 bags of flour during 2012 (i.e. the whole year supply). The SIV number F5651 of 07/12/2011 for the supply of 70 bags of rice was also not signed by recipient. Additionally, no SIV was on file for 72 bags of rice and 25 bags of flour supplied to the Prisons in March 2012. Daily lockup returns/ daily diet returns were not provided for the months of September, October, November and December, 2011. The Prison's Gate book in which all items received or issued to the Prison were first entered before taken to store, was not properly kept. Details such as delivery note number, supplier's name, the time supplied etc. were not stated. In spite of repeated requests, the gate book in respect of diet supplied in 2012 was not available for audit inspection.

The Committee

The Committee recommends that the Regional Commander (RC) should ensure that:

- *Monthly Requisitions for Diets (rice and flour) were prepared and copies retained for inspection. Requisitions in respect of diets for the periods under review should be submitted to ASSL for verification..*
- *The completed and approved SIVs in respect of items stated in paragraph (ii) must be submitted to the ASSL for verification.*
- *Daily lockup returns/ Daily diet returns for the months of September, October, November and December, 2011 must be submitted to the ASSL for verification.*
- *The prison's gate book must be properly maintained by recording details such as delivery note number, supplier's name etc.*
- *The gate book in respect of diet supplied in 2012 must be submitted to the ASSL for verification.*

Inadequate control over the receipt and usage of fuel

The Institution could not account for fuel costing Le77,989,500 as no form of a Log book/ operating record or fuel register was maintained to confirm utilisation/distribution of fuel.

The Committee

The Committee recommends that the RC should forward detailed breakdown and evidence of how Le77,989,500 was utilised, to the ASSL within 30 days after the adoption of this report by Parliament.

Lack of adequate mobility and other fixed assets

The Regional Prisons were constrained in carrying out some key functions. There was only one utility vehicle and one official vehicle for the Regional Commander. Moyamba, Bonthe, Pujehun & Matru Jong Prisons were without a vehicle or motor bikes to ease their operations. Some fixed assets had also become obsolete.

The Committee

The Committee recommends that the Director of Prisons, the PS, Ministry of Internal Affairs and other key personnel in the Ministry should ensure that the Regional Prisons are provided with the necessary equipment to enhance their operations.

Inadequate Prison Cells

Physical inspection of the Prison Yard revealed that the Cells were too small to accommodate the current number of inmates (over one hundred inmates). In an interview with the RC, it was revealed that the Bo facility for example, which accommodated over 100 inmates was constructed to accommodate 80 inmates.

The Committee

The Committee recommends that the Director of Prisons, the PS, Internal Affairs and other key personnel should ensure that adequate accommodation is provided for inmates in the Prison Cells.

61. SIERRA LEONE STATE PRISONS EASTERN REGION (2012)

Inadequate control over the allocation and distribution of fuel

There were no fuel distribution lists and chits to justify that the sum of Le58,648,500 (13,033 liters) was spent with the approval of the Regional Commander's Office on fuel for various personnel.

Official's Response

The Regional Commander stated that the fuel delivery note dated 31/3/12 with a total allocation of 1,000 litres reached the Regional supply station / depot at N.P. Filling station Blama Road in kenema on 1/04/12. He said that particular allocation was not documented at the Regional Headquarters' Office in kenema. The total allocation was utilized by the then Regional Commander as evidenced in the supply signatory record book at the fuel depot at N.P. filling station Blama road kenema. That record, he said would be made available for verification.

The Committee

The Committee recommends that the Regional Commander ensured the following:

- that all fuel distributed were appropriately recorded in a Fuel Log Book;*
- that a fuel distribution list with recipients' signatures was maintained for all fuel distributed; and*
- that fuel chits were prepared and authorised before the approved supplier issued each quota of fuel. The documentary evidence to justify the distribution of Le58,648,500 fuel was to be forwarded to the ASSL for verification within 30 days after the adoption of this report by Parliament.*

Fuel Register not submitted for inspection

A Fuel Register was not submitted to support the distribution of Le19,669,500 worth of fuel.

Official's Response

The Regional Commander stated that the documents were now available for verification.

The Committee

The Committee recommends that the Regional Commander should ensure that the relevant documents were forwarded to the ASSL for verification.

General observation

Officers contributed Le10,000 and Le20,000 on a monthly basis as transportation fare for a bag of rice supplied to them by the government.

Official's Response

The Regional Commander stated that the terms of reference of the Sierra Leone Prison service, Rice supply policy compendium that the committee for the Rice supply should ensure that a bag of Rice reached all deserving prison personnel across the board without let or hindrance. He added that the Prison Administration was cognizant of that agreement with the contractor but it was rather unfortunate that the supply of rice to officers nationwide came into existence first before the Rice policy was written losing sight of how personnel staying in the provinces should receive their supply of Rice visa- vis transportation cost to the provinces. He mentioned that the desire for officers to receive their rice supply in time warranted them proposing to foot the bill of transportation cost of their rice from Freetown to kenema, kono and Kailahun with a private transport. As such a minimal cost of Le10, 000/00 and Le15, 000/00 was agreed on to offset transport cost. Apparently, in order to solve the problem, and adhere to the terms of reference in the Rice Policy, he said he believed Headquarters was about to engage the contractors to normalise the problem.

The Committee

The Committee recommends that the Regional Commander should ensure that the supply of rice to officers is done without any additional financial cost, and that the Director of Prisons must sanction the payment of transport or refund such moneys to the officers.

62. SIERRA LEONE STATE PRISONS NORTHERN REGION (2012)

Records of fuel consumption not made available for audit inspection

There was no evidence in the form of request forms, fuel chits and other fuel records to explain the consumption of 5535 litres allocated to the various prisons.

Official's Response

The Regional Commander stated that the fuel was used as intended. He mentioned that it was possible that the officers in charge failed to record due to the numerous requests made by the officers entitled to fuel, but after reconciliation, the officers in charge had made available the distribution lists of how it was utilised.

The Committee

The Committee recommends that the Regional Commander should forward the records in support of the 5535 litres of fuel to ASSL for verification; otherwise, the whole amount should be refunded. Additionally, all fuel allocations made to the Prisons Department should be properly accounted for.

Ration allocations not brought to Account.

The total sum of Le18,070,000, in respect allocations that were made to the various prisons for ration was not properly accounted for.

Official's Response

The Regional Commander stated that rations were normally given to all officers of the Republic of Sierra Leone and the amount in question relating to ration was utilized as intended. He said that condiments pertaining to the diet were purchased in bulk for distribution to the respective Prisons Institutions. These he said, were used on a daily basis for cooking as food was given to officers as a form of motivation to enable them accomplish their daily tasks.

The Committee

The Committee recommends that the Regional Commander should give a full account of how the Le18,070,000 was spent on ration by the various prisons. The details of that account should reach ASSL for verification. Additionally, the Regional Commander should ensure

that allocations made to the various prisons in the region for ration are properly accounted for.

63. IMMIGRATION HQ (2011)

Revenue from the sale of passports and passports forms not brought to account

It was observed that the total amount that should have been collected in revenue for printed passports for the period under review, both from the sale of passports and passport forms, was more than the amount banked. See analysis below.

ACTUAL REVENUE CALCULATED

As Per Receipt Books	Total Revenue Banked	Difference
4,016,094,000	3,709,926,800	306,167,200

Official's Response

The Chief Immigration Officer (CIO) said that the issue of revenue had been forwarded to the Head of National Revenue Authority/Immigration for their response. He added that NRA responses to the revenue collection were attached for ASSL's attention.

The Committee

The Committee recommends that with immediate effect NRA officers in the Immigration department should forward an appropriate explanation on the said issue, with adequate evidence to ASSL for verification.

64. IMMIGRATION DEPARTMENT NORTHERN REGION (2012)

Revenue not Banked

There was no evidence in the form of bank statements and pay-in-slips to justify that revenue in the sum of Le 152,288,500 generated from the sale of passports and registration of non-citizens was paid into an authorized Government account by the NRA officers at the Immigration Department Northern Region.

The Committee

The Committee recommends that the Regional Immigration Officer in collaboration with the National Revenue Office at the Immigration Department should ensure that the bank statements and pay-in-slips in respect of the queried amount of Le152,288,500 must be forwarded to ASSL for verification.

Staff Personal files not maintained

Personal files were not maintained for twelve staff members of the Department.

The Committee

The Committee recommends that the Regional Immigration Officer should ensure that personal files are created for all staff members of the Department and those files should contain relevant information such as application and appointment letters, birth certificates, qualifications, medical reports and query letters (if any), promotion letters, appraisal reports, etc.

65. ADMINISTRATOR AND REGISTRAR GENERAL (2011-2012)

Pay-In-Slip not serially Pre-Numbered

Pay-in-slips used to lodge the sum of Le 992,623,642 for the period under review were not serially pre-numbered.

Official's Response:

The Administrator and Registrar General stated that the Management of the National Revenue Authority (NRA) was fully aware of that issue and had made several attempts with the bank to correct that abnormality. He said there were engagements currently underway to stop those occurrences.

The Committee

The Committee recommends that the Commissioner of the NRA should provide evidence within 30 days after the adoption of this report by Parliament showing the action her office had taken to deal with the breach by the SLCB.

No monthly reports issued by the banks

The MOU provides for the Bank to produce a monthly report of all transactions processed by the Bank on behalf of the Authority. The auditors did not see evidence of such a report during the audit exercise.

The Committee

The Committee recommends that the Authority should provide an explanation within 30 days after the adoption of this report as to why monthly reports were not prepared by the Bank in accordance with the MOU.

66. NATIONAL FIRE FORCE (2012)

Limited Fire Engines

Investigations revealed that Fire Force Branch offices at Kissy and Aberdeen, with over fifty(50) staff did not have any operational fire engines, hence one-third (1/3) of the citizens of that municipality were not protected in terms of fire disaster. Moreover, only three (3) fire hydrants were available within the city.

Official's Response

The Chief Fire Officer noted the observation and stated that management had ensured that the uncoded items were properly marked and the inventory up graded. He affirmed that more than one third of the citizenry of the municipality remained fire unprotected as the Kissy and Aberdeen Fire Stations were without workable fire engines. He said that was the main reason why the fire engines were purchased. He mentioned that during the distribution, Management would ensure that both kissy and Aberdeen fire stations were provided with one fire engine each. On the issue of the provision of Fire Hydrants, he stated that that was within the purview of the Guma Valley Water Company. He said that Management would continue to raise the concern that for efficient and effective fire fighting, Guma Valley Water Company (GVWC) needed to be persuaded to reopen all existing fire hydrants within the city.

The Committee

The Committee recommends that the National Fire Force should acquire operational fire engines for those branch offices and more fire hydrants added to the existing ones.

67. BANK OF SIERRA LEONE (2011)

Destruction of Mutilated Notes

A review of the Security Register maintained for the destruction exercise of mutilated notes revealed that the presence of the Internal Audit representative, though required by bank policy to be present during the destruction process, was minimal and in some cases not present at all.

Official's Response

The Director stated that in order to forestall the impairment of its independence and contravention of its role as defined in the Internal Audit Charter, the Internal Audit Department had discontinued participation in the Note Destruction Exercise since 2009 and according to the revised procedures, independent observers were present at the destruction exercise which was subject to random checks by the Internal Audit Department. He however said that at the time of the audit the changes relating to Internal Audit participation in the Notes Destruction exercise

were not reflected in the Manual of Operations of the Banking Department but action had later been taken by the Banking Department to reflect the said changes in the Manual of Operations for Currency Management.

The Committee

The Committee recommends that representatives from internal audit must be present at all times during the destruction of mutilated notes from initiation to completion as per Section 18 of the Manual of Operations for the Banking Department.

Safeguard of Assets at Kenema Branch

As part of the review process, the auditors visited the Kenema Branch of the Bank and noted that there were major flaws in the security system. The CCTV cameras, fire and police alarms, and fire extinguishers had been non-operational since 2004 despite several memos from the head of security at the branch to head office in Freetown for management to remedy the situation.

Official's Response

The Director stated that the procurement process for the replacement of the fire extinguishers and Fire Alarm System at the Kenema Branch which was budgeted for in the 2012 Capital Budget had commenced and action would be taken to explore the possibility of introducing the Police and Alarm System. He said that the CCTV System would be acquired in 2012 under the WAMZ Payments System Project financed by the African Development Bank.

The Committee

The Committee recommends that those essential security equipment should be serviced or replaced and put in good working condition so as a safeguard against theft or any other perils that the Bank may experience.

Long outstanding items in Fixed Assets Holding Account

Certain items amounting to Le455,000,000 were acquired in 2010 and categorised as fixed asset holdings in the general ledger and had still not been capitalized. Those items were still part of fixed asset holdings up to the time of the review. However, comments provided by the General Services Department were insufficient, inappropriate and unconvincing to address the situation.

Official's Response

The Director stated that the observations had been noted and that action would be taken to transfer all completed projects in the Fixed Assets Holding Schedule to the Fixed Assets Register.

The Committee

The Committee recommends that management should look into the circumstances surrounding those assets for eventual capitalisation and effective safeguard controls.

Non-Reconciliation of Trial Balance Value to the Fixed Assets Register

A difference of Le771,245,489 was observed in the cost of fixed assets between the General Ledger balance and the Fixed Assets Register.

Official's Response

The Director stated that the Fixed Assets Register and the Trial Balance were yet to be reconciled in respect of the two assets categories. He mentioned that the difference between the Fixed Assets Register and the General Ledger for the Premises Assets Category was the cost of the dispossessed land at Tokeh which was part of the year 2010 audit adjustments which was not reflected in the Fixed Assets Register.

The Committee

The Committee recommends that on a regular basis, management should ensure that the Fixed Assets Register is reconciled to the General Ledger.

Underutilization of the Leone Lodge

In the course of the audit, the Leone Lodge was visited and it was observed that the building was unoccupied and used as store for materials purchased for the Tokeh Resort Center. The building had been occupied by the former Governor and since his removal from office in 2007 it had remained unoccupied.

Official's Response

The Director stated that the Bank was considering the possibility of repairing/leasing the Leone Lodge.

The Committee

The Committee recommends that management should take positive steps, possibly leasing it in order to maximize the use of the facility.

Retirement of Advances for Gas And Oil

Cash advances were given to staff at head office in respect of gas and oil in transit. However they were not being liquidated on a timely basis. Investigations revealed that there was no time line established by management for the retirement of receipts or un-utilized cash.

Official's Response

The Director stated that the long outstanding amount in the Advance Cash Schedule for the purchase of 45 gallons of fuel had been retired and a separate account had been opened to reflect and monitor the 872 litres of fuel held at National Petroleum Company, Cotton Tree for various Bank's vehicles and generators. He also said that to ensure that long outstanding items in the schedule were cleared on a timely basis, management was reviewing a proposal that all unretired advances should be deducted from salaries of staff concerned after two reminders had been forwarded to them.

The Committee

The Committee recommends that management must set the maximum period for which cash advances should lapse before liquidation and on a quarterly basis a review on that account be done with notice sent to defaulters indicating appropriate punitive measures.

Inactive Accounts Maintained

The bank maintained current and suspense accounts some of which were used as a pipeline to transfer funds to government projects, which had either been concluded or terminated. Others were opened for community banks which had since been liquidated. However, our investigations revealed that staff at the banking department could still have access to those accounts, rather than being transferred to a separate group called inactive account, inaccessible by staff unless approval by senior management.

Official's Response

The Director stated that the Bank was in the process of developing a policy on the treatment of dormant accounts.

The Committee

The Committee recommends that management should formulate a working policy for inactive accounts in which they may stipulate the period of inactivity after which inactive accounts must be transferred to a dormant account, also the level of authorization before the account should be moved from such grouping to a normal current account should be clearly stated.

No Updating of Stock Records

A year end stock count was performed by management and the stock count sheet was made available to the auditors. Our review of the same revealed that items with zero quantity at hand as at balance sheet date were showing up either positive or negative value balances. These were not adjusted for in the books of the Bank during the period under review.

Official's Response

The Director confirmed that the audit exercise revealed that there were some stock items with nil quantities but with monetary values and that the said system error had also been identified during the stock-take exercise conducted by the Bank. The issue is being investigated and appropriate action will be taken to regularize the records.

The Committee

The Committee recommends that going forward management should ensure that figures in the General Ledger agree with the stock reports and any differences noted should be reconciled and timely investigated and cleared.

Disaster Recovery Plan and Business Continuity Plan

There was no evidence of an approved and comprehensive Disaster Recovery Plan/Business Continuity Plan to ensure that its critical Information Technology infrastructures were safe in an unforeseen event such as the event of a fire disaster.

Official's Response

The Director stated that the Disaster Recovery Plan which was tested on a periodic basis had been reviewed to include detailed impact and threat analysis.

The Committee

The Committee recommends that a complete Disaster Recovery Plan and a Business Continuity Plan be put in place for the recovery of the Bank's core systems in the event of a disaster.

68. BANK OF SIERRA LEONE (2012)

Inaccurate Depreciation Charge

There were errors in the system for depreciation calculation to the extent that, depreciation charges for premises were overstated by Le835,000,000. In addition, differences were observed when comparing depreciation charge by the system and those recorded in the Fixed Assets Register. It was also noted that there were no regular monitoring, supervision, reconciliation and review of the Fixed Assets Register during the year which could have detected those differences.

Official's Response

The Director explained that errors referred to had been identified and action taken to raise the necessary entries. We note the external auditors' observations on the non-reconciliation of the ledger and register. Action would be taken he said to recommence work on the reconciliation exercise on a regular basis.

The Committee

The Committee recommends that although an audit adjustment had been effected to normalize the situation, a formal reconciliation of the Fixed Assets Register, the ledger and review of journals before and after posting into the system by appropriate employees should be performed on a monthly basis, documented and approved by management. All differences would then be followed up and cleared promptly.

Security and Safety Lapses at the Kenema Branch

The following security and safety lapses were identified during our review of the Kenema branch:

- There were no fixed security alarms around and inside the Bank's premises;
- The fire alarms and smoke detectors were not operating effectively;
- The fire extinguisher canisters located throughout the bank were not upgraded to ensure that they were operational and the security staff had not been trained in using them.
- There were no fire trainings held for employees throughout the year like fire drills since 2007. The last time the canisters were upgraded was in 2004 according to information from the senior security officers;
- There was the need for a larger backup system to be uploading all the information on the sixteen (16) CCTV cameras, as all information recorded on the present one was erased after 60 days;
- At the main entrance, one of the glass walls was broken and needed to be replaced; also the entrance glass door needed to be re serviced as it did not open with ease;
- Most of the air conditioners were inoperative.
- Inside the vault room, the floor and ceiling had been damaged by water that leaked in when it rained.
- There was only one exit point from the vault to the main entrance of the bank.
- One of the generators for the security lights generators was out of order and needed to be repaired.

Official's Response

The Director promised that most of the queried issues would be addressed under the renovation of the Banking building and that action would be taken to service the fire extinguishers and the CCTV cameras.

The Committee

The Committee recommends that management should address all the above security flaws in order to protect the assets of the Bank.

Adequacy of General Provision on Loans and Advances

Our review of the bank's loan portfolio focused on determining the levels of provisions necessary to reflect the fair values of the advances and also to assess the adequacy of general provisions made in compliance with IFRS. Our evaluation was therefore based on the loss percentage as regards historical provisions of the bank and the emergency period, defined as the time it takes for management to identify delinquent loans and the period it takes for the loan to become bad. It was noted that the bank had not made any general provision and as such a general provision of Le55,710,242 was required.

Official's Response

The Director stated that the auditors' recommendation had been adopted and the necessary journal adjustments would be effected.

The Committee

The Committee recommends that the bank should adhere to IAS 39 Financial Instruments: Recognition and Measurement in respect of loan provisioning.

Manual Recording and Poor Filing System with the Financial Market Department

The Financial Market Department maintained manual records for transactions on investment securities. The filing system was very poor making it difficult for retrieving/tracing of relevant supporting documents.

Official's Response

The Director stated that the records of the Bank's holdings of treasury securities were held in ledgers and were also in Microsoft Excel spread sheets. Going forward, under the WAMZ/ADB Payment System Project, he said that the Bank would implement the Scriptless Security Settlement Software (SSSS) and the RGTS in 2013 which would address the issue.

The Committee

The Committee recommends that the Financial Market Department should improve on its record filing system to facilitate effective referencing.

Inaccurate Computation of Accrued Interests on Loans to Community Banks

Although the bank computed accrued interest on loans to community banks, it was not done accurately based on the necessary parameters. Based on re-computation and test check by the audit team, a difference of Le37,566,107 was noted between the audit team's computation and the bank's computation. Although the error had been effected by way of audit journals in the audited financial statement, the bank should ensure it takes into consideration all the necessary parameters i.e. interest rate, start date of repayment of interest and the principal amount; just to ensure that all interest computations were done correctly.

Official's Response

The Director stated that the new method of computation for interest and principal payment had been adopted and the necessary journal adjustments would be effected.

Repayment of Medical Expenses

During our review of Other Income, we noticed that there were some members of staff who exceeded their medical scheme limits, and as a result, the excesses above their limits should have been deducted from their monthly salaries. However, the deduction of those excess amounts from staff salaries was discretionary. There appeared to be no policy on the bases of which those deductions are made. It was also noted that those deductions for excess medical expenses were currently being treated as sundry income by the bank; this method was not consistent with proper accounting treatment as they should have been reduced from the medical expenses where the original debits were posted.

Official's Response

The Director stated that a policy would be put in place to address the issue.

The Committee

The Committee recommends that management should adopt a more systematic approach in deducting the excess medical expenses from staff salaries and that deductions must be done on a monthly basis and it should be spread over a period depending on the amount involved. The bank should also adopt a consistent policy on the deduction of excess medical facilities utilized by staff. Additionally, all deductions relating to the above should not be treated as other income but those amounts should be used to reduce whatever medical costs had been posted into the accounts for the staff.

Accounting for Accrued Charges

An advance payment of Le74,071,661 made in respect of calendars and diaries for the period was not deducted from the total amount of Le246,905,537 set aside as provision as at balance sheet date.

Official's Response

The Director stated that the accounting for accrued charges would be modified accordingly.

The Committee

The Committee recommends that all advance payments made before the balance sheet date should be deducted from the total provision made so as to reflect the true liability as at year end.

Long Outstanding Retention Monies

Long outstanding balances of retention from contract sum were noted as far back as the year 2006. We were not provided with any reasonable explanation in respect of the details of the long outstanding nature. Below is a list of the details:

Date	Details	Amount Le
24.04.06	Nimo Const. Retention iro of repairs to Middle hill Lodge	1,920,891
06.12.06	Fabra – retention iro const Resource centre Tokeh	113,603,255
30.08.07	Tra-Meyer Ltd – retention iro construction of Zimmi C/Bank	8,037,450
Total		123,561,597

Official's Response

The Director in his response stated that the retention money regarding Fabra, had been paid with the Valuation Certificate and was indicated in a letter dated March 31, 2011 and forwarded to Messrs Fabra. He added that Nimo Construction retention in respect of repairs to Middle Hill Lodge and retention in respect of construction of Zimmi Community Bank would be taken back to profit.

The Committee

The Comm

69. ROKEL COMMERCIAL BANK LTD (2012)

Review of Issues of Previous Management Letter

Financial Asset

In the previous management letter, the auditors highlighted issues relating to the valuation of some of the bank's financial assets. In some instances, the assets included receivables which had been long outstanding, calling into question the likelihood that those items would eventually be recovered. Impairment provisions for those accounts had been made in the Financial Statements, but they required management's keen watch on their performance.

Contingent Liability

Provisions for payouts had been made in the accounts in the event that judgement against the bank in the lower courts was upheld.

Loans and Overdrafts not Properly Classified

As required by the Central Bank's prudentials, loans and overdrafts must be classified into categories with the level of provision for impairment for each facility depending on its

classification. It was however noted that some of those loans and overdrafts were not properly classified in the draft reports submitted at the end of the year. It was also noted that a Kenema branch customer, Capitol, was granted an overdraft facility of Le4,000,000,000 for which the collaterals were: Equity mortgage, Lien over export proceeds and Personal guaranty of Directors

Outstanding Items Noted in Reconciliations

A list of outstanding items was noted in the reconciliations, some of which were transacted in 2008 and 2009.

Official's Response

The Managing Director in his response noted the auditors' comments and stated that they were regularly reviewing the accounts and taking action accordingly. He said the account had been marked for reduction and that the customer had made substantial deposits to liquidate the overdraft.

The Committee

The Committee recommends that the previous recommendations should be re-visited in a bid to have them implemented.

Cash And Bank

Under IAS 29, the effects of changes in Foreign Exchange Rates, statement of financial position items must be translated using the closing period exchange rate. The auditors however noted the following differences between the trial balance and the cash count certificate (as translated using the closing mid rate) for foreign monies (Dollars) for the following branches:

Table No. 9.3

Branch	Trial balance		Difference
	PKF Translation Using the closing mid-rate (Le)		Le
Siaka Stevens Street	1,287,956,700	1,270,191,780	17,764,920
Congo Cross Branch	595,736,850	587,519,790	8,217,060
Charlotte Street	115,196,700	113,607,780	1,588,920
Bo	83,572,200	82,419,480	1,152,720

Also the following translation difference was noted in the Nostro account:

Table No. 9.4

	Trial balance		
Le	PKF Translation Using the closing mid rate		Le Difference

Le
 GBP Sterling 3,252,915,138 3,239,715,138 13,200,000

Differences were also noted between the trial balance and the clearing suspense/un-cleared effects reconciliation for the following banks:

Table No. 9.5

Detail Trial balance

Le Reconciliation

Le Balance

Le

Bank of Sierra Leone	13,893,988.17	2,709,708.69	11,184,279
Standard Chartered Bank	77,816,930.96	96,215,901.39	18,398,970
Sierra Leone Commercial Bank	494,699,808.40	397,565,513.02	97,134,295
Union Trust Bank	174,042,630.29	179,140,300.00	5,097,670
Guarantee Trust Bank	73,304,241.46	109,007,237.50	35,702,996
First International Bank	400,088,137.01	358,069,257.01	42,018,880

Official’s Response

The MD mentioned that it was the practice of the bank to revalue foreign currencies at two different rates, one for ‘Notes’ and the other for ‘Transfers’. He however stated that management had noted the audit recommendation and would look into that aspect in line with IAS29.

The Committee

The Committee recommends that the Statement of Financial Position items should be translated at the closing rates and reconciliation controls be properly monitored.

Loans and overdraft Review

It was noted that collaterals/securities held on loans and overdrafts for the following customers were inadequate for their respective exposures:

The Committee

The Committee recommends that efforts should be made to obtain adequate collaterals for facilities granted.

Property, Plant and Equipment

Section 17(1) of the National Public Procurement Act requires that procurement related function should be carried out by persons trained and knowledgeable in procurement, in accordance with

the guidelines and qualification requirements established by the Authority. However, there was no evidence to confirm that the above could be said for some procurement committee members. The first schedule of the National Public Procurement Act established different thresholds for the procurement of goods, works and services using Shopping Procedure, National Competitive Bidding (NCB), and International Competitive Bidding (ICB). The auditors were not provided with any evidence that the different thresholds guided procurement officers in the procurement undertaken in 2012. Please see examples of some of those cases below:

Table No. 9.9

Asset Name	Date of Acquisition	Amount (Le)
ATM visa	28th February 2012	117,727,000
ATM software	20th July 2012	218,113,500
VeriFone	24th August 2012	64,606,600
VISAT equipment	28th February 2012	222,726,070

The bank applied for a “no objection” from the National Public Procurement Authority for the purchase of a generator for their Kenema branch costing Le96, 525,000. The audit revealed that the bank solicited five proforma invoices from different suppliers. However, it was observed that the file for this procurement activity was not complete. The bidding documents issued to those suppliers and the evaluation report could not be located. The Bank was advised that persons charged with managing its procurement activities should be trained in procurement; in accordance with the guidelines and qualification requirements established by the NPPA and that the threshold established by the Authority for the procurement of goods, works and services must be adhered to.

Official’s Response

The MD in his response confirmed that training sessions had been organized for staff involved in the procurement process and they had identified staff who had undertaken procurement studies and had been suitably deployed. He added that the items under referenced relate to software supplied by authorized and accredited local service providers as upgrade for existing systems and that they had no choice in the matter.

The Committee

The Committee recommends that section 17(1) of the National Public Procurement Act requires that procurement related function should be carried out by persons trained and knowledgeable in procurement, in accordance with the guidelines and qualification requirements established by the Authority.

70. SIERRA LEONE COMMERCIAL BANK LTD (2012)

Review of Management Letter for the Year 31st December, 2011

It was noted that action had not been taken on loans and advances classification and customers' loans and advances exceeding the approved limit which was raised in the 2011 report.

The Committee

The Committee recommends that those matters should be addressed promptly.

Review of Recurrent Budgets

An analytical review of the budget for 2012 noted differences between the budget and the operating profit and loss. It was recommended that budgets prepared must be done to reflect the true expected performance of the Bank and those targets should be set to motivate or challenge managers.

The Committee

The Committee recommends that a detailed investigation should be done on the question of adverse variances and evidence of action taken documented for reference.

Loans and Advances

The auditors reviewed the 50 largest exposures in the Bank's Advances Portfolio during the audit and observed the following:

- Integrated Engineering Services

The Bank granted the customer an Advance Payment Guarantee (APG) of Le4,024,000,000, the value of the security amounting to Le2,400,000,000.

- Barris Construction and General Supply

No collaterals were obtained from the customer for the overdraft facilities and the performance bond of Le332,000,000.

- Jozanrose Construction Enterprise

The balance on this account exceeded the value of the security which stood at Le180,000,000, the current facilities: Le621,150,000.

- International Construction Company

An Advance Payment Guarantee (APG) of Le4,500,000,000 was granted to the customer on the legal mortgage that was used in securing an overdraft, the value of the security was Le2,600,000,000.

- Premier Investment (SL)

The current facility of the customer was in excess of the single obligor limit as stipulated by the prudential guidelines of the Bank of Sierra Leone. The facility balance of Le19,800,000,000 also exceeded the security which stood at Le10,500,000,000.

□ Loans and advances classification

In accordance with the prudential guidelines of the Central Bank, loans and advances are required to be classified into four different categories as follows (current, substandard, doubtful and loss). The categorisation determines the level of provisions to be made. It was however noted that some of those loans and advances were not properly classified in the draft reports submitted to the auditors.

The Committee

The Committee recommends the following:

- *That Management should take prompt action on those issues of loans and advances.*
- *That a monthly review of all advances should be done so that classification and impairment provisions could be arranged accurately*

Cash and Bank Balances

A difference of Le 520,503,047 was noted between the trial balance figure and the auditors' analysis of the Nostro Account balances. The auditors reviewed the Siaka Stevens Street Branch treasury register and noted that cash held in the vault in some occasions exceeded the Bank's insurance limit.

Date	Amount (Le)
21.04.2012	10,782,185,805
24.05.2012	12,462,785,805
25.05.2012	10,430,035,805
26.05.2012	10,238,035,805
21.08.2012	10,053,100,805

The auditors reviewed the branch's Vault Cash Register and observed that in some instances there was no evidence of dual access control. In addition, the Foreign Exchange Register was not signed off by the 'A' Signatory during the month of January 2012. Furthermore, it was noted that some long outstanding items still remained in the Bank of Sierra Leone current account reconciliation statements.

The Committee

The Committee recommends that more efforts should be put into investigating and reconciling the nostro balance difference. It was also recommended that, the Bank should ensure that cash in vault did not exceed the amount covered by insurance and that dual control in the

vault must be more effectively monitored. Furthermore, the long outstanding items mentioned should be investigated.

Accounting entries still under investigations

It was noted that some of the operational suspense accounts with significant balances at the end of the year were still being investigated.

The Committee

The Committee recommends that management should step up its effort to investigate those balances and have the accounts properly reconciled.

Customers' Deposits

A difference of Le163,013,543,000 was noted between the consolidated customers' balances and the trial balance amount. The auditors were not provided with the list of dormant accounts reactivated during the year under review.

The Committee

The Committee recommends that all accounts and balances should be regularly reconciled and that in future a comprehensive list of dormant accounts reactivated during the year must be maintained for reference.

Internal Audit Review

The Internal Audit Department could not provide the auditors with the Audit Work Programme for the year ended 31st December, 2012.

The Committee

The Committee recommends that in future the work plan should be filed so that it can be easily retrieved for reference.

CCTVs not in Good Working Condition

During the physical verification of assets at the branches, it was noted that only the Siaka Stevens Street Branch/Head Office CCTV was in good working condition.

The Committee

The Committee recommends that regular repairs and maintenance of CCTVs at all the branches had to be done to ensure that those controls were properly and effectively functioning.

Lapses observed in the review of the Information Technology (IT) Department

During our inspection of the IT Department, it was noted that the server room was easily accessible and the visitors' log not properly monitored, in addition to the fact that there was delay in providing information requested for. The auditors were also not provided with any evidence that backups were done on a regular basis and kept outside the Bank's premises.

The Committee

The Committee recommends that management should implement strict controls in the IT Department and backups done regularly and stored in a secured off site location.

Human Resource Management

The auditors reviewed the files of personnel employed during the year and noted that the recommendations from referees were not received for staff employed in September 2012, and in some of the files reviewed, there were no passport pictures of the personnel.

The Committee

The Committee recommends that management should expedite action to address those anomalies.

71. NATIONAL REVENUE AUTHORITY (2011)

Suspense Account Figures Still Outstanding

We noted that the 2010 audited financial statement included a suspense figure of Le1,316,321,000. However the 2011 financial statement presented for audit showed Le46,893,687. An Interview with management revealed that the suspense account had been reconciled and cleared. However, the journal entry, supporting documents and explanatory notes relating to this entry was not provided to the auditors to substantiate the authenticity of the transaction.

Official's Response

The Director of Finance, NRA stated that he noted the opening balance in the suspense account but the overall effect of the balance in the suspense was reduced when journals were passed and adjustments made for property plant and machinery, equipment, Investment, cash and cash equivalent and income tax liability. He mentioned in the same vein that Le46,893,687 reported in the account was calculated devoid of the opening balances of 2010. He said that the Journal entry, supporting documents explanatory notes relating to the suspense accounts were then available for verification.

The Committee

The Committee recommends that a journal entry supporting documents and explanatory notes relating to this entry should be provided to the auditors to substantiate the authenticity of the transaction.

Non Reconciliation of Outstation Returns

The Authority did not reconcile returns received for the outstations, such as Gbalamuya, Lungi, Sania, Dogolia, Kono, Koindu, Kailahun, Zimmi and Mano River Bridge.

Official's Response

The Director of Finance stated that the returns from those outstations were normally sent to Customs and Excise department for capture into their database and onward transmission to the database at head office. He mentioned that it was at Customs that reconciliations and verifications were done.

The Committee

The Committee recommends that the Authority should reconcile immediately returns received for the outstations, such as Gbalamuya, Lungi, Sania, Dogolia, Kono, Koindu, Kailahun, Zimmi and Mano River Bridge

Understatement of Payables

There was a difference between payable in the Financial Statement and the General Ledger amounting to Le473, 882,867. Furthermore, from our review of the payables, we observed that withholding tax liability was understated by Le539, 813,266.

Official's Response

The Director of Finance stated that he recognized the error and wished to make the necessary adjustments.

The Committee

The Committee recommends that an immediate reconciliation should be done to rectify these differences

72. SIERRA LEONE PORTS AUTHORITY (2012)

Procurements of Consultants

On the 27th of August and 10th December, 2012 an approval was sought from the National Public Procurement Authority by the Sierra Leone Ports Authority to engage the service of both a Human Resource Consultant and a Financial Consultant. In reply to the SLPA's request, it was advised that for such service that fell within the range of a small value contract, Consultant's Qualifications should be used. This required that consultants, who the procuring entity had

identified as having the required skills and competence to carry out the service, must be contacted and requested to submit their curriculum vitae and charges. The one determined to be most responsive should then be hired. Our auditors were not provided with the names of the other consultants that were contacted and the evaluation report which has the basis for the selection of a consultant.

Official's Response

The GM confirmed that management had noted the observation on the issue and would ensure that the Authority complied with all relevant procurement laws and regulations in her procurement activities.

The Committee

The Committee recommends that the institution should comply with all relevant procurement laws and regulations when carrying out its procurement activities.

Non-performance of Contract

In 2010, a contract valued at \$399,881 was awarded to Davis and Dan for the installation of Navigational Aid. By December 2012 the sum of \$71,977 had been paid to the contractor, representing 20% of the total contract price as per contract agreement. It was observed that the contract was not fully performed by the contractor. It was also observed that the contractor did not submit an advance payment guarantee before payment was made as stipulated by section 56 (4) of the NPPA Act, 2004.

Official's Response

The GM replied that management had noted the observation on the issue and would take steps to ensure that the Contractor performed his own part of the contract in accordance with the agreement. He also mentioned that management was in the process of contacting the supplier.

The Committee

The Committee recommends that the Authority should take action to ensure that the contract was performed, or the contractor must refund the total amount which had been paid to him.

No Debtor Management Policy

It was observed that there was no formal debtor policy governing the management of debtors. The receivable balance of Le 13,207,418,000 should have been better managed and controlled if there was a proper policy for the management of debtors.

According to SLPA's invoice, payment must be made "within seven days of invoice date, crossed cheques payable to Sierra Leone Ports Authority, after fourteen days, interest applicable

at Bank of Sierra Leone prevailing rates”. It was noted that even though some customers went far above this seven-day credit period, no penalty charges were levied on them.

Official's Response

The GM indicated that management would ensure strict adherence to the new Credit Policy of the Authority and Customers and Agencies would be informed accordingly.

The Committee

The Committee recommends that a formal debtor policy be developed and enforced in order to minimise the possibility of bad debts. In addition, client background checks and credit worthiness assessments must be performed before granting credits. Credits should only be granted to clients with good credit ratings. Also internal controls should be improved upon and existing debtors rigorously be pursued.

Ageing Debtors

The Debtors Ledger revealed the following categories of debtors, goods in transit Le407,888,485, other debtors Le1,369,173,314 and “unpaid deducted Sierra Leone Dock Workers Cooperative Society” Le47,500,000. A review of the ageing analysis schedule showed that some of these debts had been outstanding for an average of five years.

Official's Response

The GM in his response replied that Management had noted the observation. He drew the attention of the auditors to the following: Goods in Transit – Le407,888,485; from the above amount, Management had made full provision for Bad debt in the sum of Le95,000,000 in respect of Larose Gaye in the financial statement for the year ending 31st December 2012. The remaining balance of Le312,886,486 which related to Davis and Dann Ltd for the supply of Navigational Aid which Management was pursuing with the supplier.

The Committee

The Committee recommends that a more robust collection mechanism should be introduced for the effective collection of debts, and a provision for bad debts made for those which were not likely to be recovered.

Other Debtors Le1,369,173,314

He explained that the above related to a loan given to two former SLPA Board Members and Expenses incurred by the Authority on behalf of Ferry Mahera which were not settled. However, the Authority had made full provision in the financial statement for the year ended 31st December 2012.

Dock Workers Cooperative Society – Le47,500,000

The above amount, he said, related to a loan of Le360,000,000 given to the Dock Workers Society by the Authority in 2006. Le312,500,000 was repaid by the Society before it was closed by the High Court of Sierra Leone in 2011. However, the Authority had made full provision in the financial statement for the year ended 31st December 2012 for the outstanding balance of Le47,500,000).

Debtors Circularisation

Out of the total debt of Le 13,207,418,000 circularized, the auditors only received Le377,075,400 worth of debtors' confirmation representing three percent of the total debt circularized.

Official's Response

The GM stated that out of the total debt of Le13,207,418,000 circularized, confirmations were received for Le3,369,850,257 i.e. 25.5% of amount circularized. He mentioned that 76.1% of debts circularized had therefore been accounted for, whilst Management was pursuing the remaining debts of 23.9% circularization sent and that all relevant documents were now available for verification.

The Committee

The Committee recommends that customers' accounts should be reconciled regularly, as discrepancies can cause disputes. An aged receivable analysis should highlight which customers had balances that were overdue and should form part of a regular report to senior management along with details of action that were to be taken to pursue the debts.

Staff Personal Files not provided for Imprest

The auditors were not provided with the personal files of some staff who were appointed during the year under review.

Official's Response

The GM stated that management would design an appraisal form for all staff that would be completed by Heads of Departments at the end of each year.

The Committee

The Committee recommends that files must be kept for all employees containing all necessary information with updates to reflect changing circumstances.

No Evidence of Staff Appraisals

It was observed that the Authority did not have any form of appraisal for its staff.

The Committee

The Committee recommends that the Authority should develop and implement a written staff appraisal policy.

73. SIERRA LEONE AIRPORTS AUTHORITY (2012)

Sole Source without Waiver

In Accordance with the Public Procurement Act, Sole source procurement may be appropriate upon securing a specific waiver from the National Public Procurement Authority (NPPA); it was observed that the Sierra Leone Airports Authority (SLAA) adopted the sole source method of purchasing a vehicle at the cost Le71,000,000 without securing a waiver from NPPA.

Official's Response

The GM said that the vehicle in question was available only with one supplier at the time. He added that the authority of the head of the Procurement Committee was sought to use sole source method to procure the vehicle at a total cost of USD26,000. By the time the procurement was concluded, another brand of better quality as confirmed by the engineers and sourced from another supplier at a total cost of USD20,000, he added. Considering the relative low cost and high quality of the vehicle, approval was sought in favour of the second supplier thereby achieving the overriding objective of having value for money.

The Committee

The Committee recommends that the Authority should ensure that a waiver was obtained from NPPA before doing sole sourcing and must consider establishing a procurement unit considering the quantum of procurements done.

Procurements not included in the Procurement Plan

Procurement amounting to Le29,557,749,556 undertaken during the year 2012 were not included and endorsed in the 2012 procurement plan.

Official's Response

The GM in his reply said that the procurement of Le29bn related to the ongoing modernization of the Terminal Building Project and helipads, though fully budgeted for, was mistakenly omitted by the Procurement Committee, from its plans for 2012.

The Committee

The Committee recommends that the Authority should ensure that the procurement plan was adhered to and signed by the Procurement Committee Members to confirm approval.

Wrong Calculation of Executive and Middle Management Rent Allowance

The calculation of tax deductions for rent allowances in respect of executive management and middle management was wrongly done resulting in some employees being over taxed and some under taxed amounting to Le17,610,469.

Official's Response

The GM in his reply stated that steps had been taken to recover over payments and settle those under paid.

The Committee

The Committee recommends that the tax should be adjusted to reflect the actual tax to be paid to NRA.

PAYE not promptly paid to the NRA

Deductions of PAYE were not paid to the National Revenue Authority on a monthly basis as prescribed by the income tax Act of 2000.

Official's Response

The GM stated that they had cash flow problems then, but they had discussions with NRA officials in March 2013 and they reached a temporary arrangement of paying the current PAYEE in addition to one month arrears. This he said, was working well with the hope of fully revitalizing the original agreement by September 2013 when they would have fully met their loan commitments. With the exception of December 2012, all the other months under reference had been fully paid under the temporary arrangement as they were working to ensure that the balance payment was made.

The Committee

The Committee recommends that the Authority should ensure that PAYE deductions were paid promptly

No rental agreement for SLAA's Clients

Rental Agreements with Clients and Grant agreements with the World Bank and GOSL were not provided for inspection. It was therefore difficult for the auditors to determine the basis on which rents were charged and the conditions that were attached to the grant.

Official's Response

The GM stated that the commercial department had done a lot of work in that direction, with rental agreements available for most of the customers. He said the only customers without rental agreements were those whose agreements were being worked on, and those would be concluded “very soon”. He further said that the World Bank Grant was negotiated and contract signed by Government which was in the custody of the relevant Government authority. He said they would contact the relevant authority to obtain the signed contract.

The Committee

The Committee recommends that the Authority should take steps to draw up a service level agreement between itself and its customers. It should also provide the grant agreements for audit verification.

No Bank Statement or document for SCB UK Account.

Bank Statement or documents were not provided to prove the existence of the account held at SCB, UK. Even though this point was highlighted in the previous audit, nothing was done to remedy the situation.

Official’s Response

The GM said that the accounts held at SCB were part of those accounts that were frozen following the garnishee order that arose from the court case Sierra Leone had with Philip Brothers over the sale of agricultural produce. He said they wrote SCB in September 2012 but had not received any reply. He however said they shall again write them a reminder letter on that issue.

The Committee

The Committee recommends that the Authority’s Management should take steps to make available the documents to the bank accounts available for audit verification.

Inter-Banks Transfers not accounted for promptly

Inter-bank transfers were not promptly accounted for in the Authority’s Cash Book and reported in the General Ledger, causing unnecessary reconciling items and journal entries for the period.

Official’s Response

The GM said that those were transfers that were done in Freetown due to the need to address urgent funding of the Leone account but delayed to reach the Account office in Lungi. With the exception of those transfers all other transfers were promptly accounted for in the books of account he concluded.

The Committee

The Committee recommends that the Authority's management should ensure that Inter Bank transfers were promptly accounted for in their cashbooks and reported in the General Ledger in order to avoid unnecessary reconciling items.

Administrative, commercial & planning expenses over spent

The administrative expenses, commercial & planning expenses & engineering & maintenance expenses were over spent by Le2,110,784,898, Le133,536,510 & Le6,885,066 respectively.

Official's Response

The GM said that the administrative budget was over spent due to redundancy payments of Le3,700,000,000 made in 2012 to redundant security personnel. That payment was not envisaged at the time of preparing the budget and was therefore not budgeted for, he added.

The Committee

The Committee recommends that the Authority's management should ensure that proper budget planning was done.

No Database of Debtors

There was no database of the Authority's debtors; this made it difficult for circularization to be sent for the confirmation of debts as information regarding addresses and age of debt was not available.

Official's Response

The GM said that there was an existing credit control policy that was at the time being reviewed to ensure that existing lapses were fully addressed. He stated that the age profile of debts was being maintained and a file was available for review. He added that the old debts that had existed over 10 years related to dormant customers that they had requested NCP's permission to write off but were advised to stay on action. Considering the remoteness of recovery, high percentage provision was made, he said. He mentioned that they would again compile the list of old debts and ask NCP's permission to write them off.

The Committee

The Committee recommends that the Authority should provide the audit team with all relevant information of their debtors and ensure that debtors responded to the circularization sent.

74. SIERRA LEONE TELECOMMUNICATIONS COMPANY (SIERRATEL) (2009)

Proper Procurement Procedures not followed

It was observed that proper procurement procedures were not followed for expenditure undertaken in the sum of Le2,606,083,573.

Official's Response

The GM stated that a procurement unit was not in place during the period. He however mentioned that a procurement unit headed by an appropriately and qualified procurement officer with the relevant qualification and experience had been set up. He added that a procurement committee comprising of senior management staff to which the procurement officer served as secretary had been set up to handle all procurement issues. He said that Committee would ensure that all procurement of goods and services conformed to the requirements of the procurement act and was in the best interest of the company, concluding that the company relied on obtaining three pro forma invoices and quotations before deciding where to purchase.

The Committee

The Committee recommends that the company should ensure that procurement processes are followed for all expenditure and may wish to establish a procurement unit considering the quantum of procurements done.

Difference between the expenditure schedule and expenditure balance in the Financial Statement

It was observed that a total difference of Le4,881,397,322 existed between the Summarised Expenditure Schedule and the Financial Statement.

Official's Response

The GM stated that expenses in the Financial Statement comprised of cheque payments made by Sierratel and payments made by Teltac on behalf of Sierratel. He mentioned that the analysis undertaken by the audit team seemed to reflect only cheque payments made by Sierratel and did not include the Teltac payments.

The Committee

The Committee recommends that Sierratel should ensure adjustment of the expenditure balance to reflect the actual expenditure.

No Maintenance and Insurance Policy

There was no Maintenance and Insurance policy for the majority of the Assets.

Official's Response

The GM stated that the company was in the process of formulating a maintenance and insurance policy that would cover all assets

The Committee

The Committee recommends that the Company should implement a maintenance policy and ensure that all assets owned by the company were insured.

Overpayment of funds to the Government of Sierra Leone

As per joint agreement between Teltac and Sierratel, monthly payments of \$ 50,000 were to be made to the GOSL for poverty alleviation, but in the months of Oct, Nov, and Dec, overpayments of \$1,362, \$30,878 and \$1,251 were made to the Government of Sierra Leone above the monthly payment of \$50,000. In addition, GOSL was paid \$200,000 in the month of April instead of \$100,000 and no reasonable explanation was given for that variation.

Official's Response

The GM stated that according the tripartite agreement, Government, Celtel and Sierratel, Sierratel were to pay US\$175,000 from the gateway revenue and according to their records, the US\$50,000 monthly payment related to a loan repayment to the Sierra Leone Commercial Bank for cables and not for Poverty alleviation to GOSL as indicated by the auditor. The differences related to exchange and bank charges. He mentioned that in November 2009, they increased the payment amount to US\$80,878 and even made a debt restructuring to consolidate both the Loan and overdraft and increased the monthly repayment to US\$100,000. The US\$105,000 indicated in the schedule did not relate to the Government of Sierra Leone payment but to an advance monthly repayment to Teltac as was in the agreement, he added. He further stated that the monthly contribution to GOSL accordingly to the Gateway agreement was US\$ 100,000 and the company had made all the payments of US\$ 100,000 as per agreement. It was a miss posting of US\$ 200,000 in the month in question and that was explained and adjustment had been made in the account, he concluded.

The Committee

The Committee recommends that the reasons for the overpayment should be given to the audit team to justify the revenue reflected in the financial statement.

Inadequate supporting documents in respect of revenue

Amounts stated as revenue from national telephone, International Telephone and Telephone lines rental totalling Le2,822,928,839 could not be verified as adequate supporting documents such as receipts and bills issued to customers were not provided.

Official's Response

The GM stated that a monthly analysis of local and international telephone revenue had been forwarded for further verification.

The Committee

The Committee recommends that Sierratel should provide the necessary supporting documents to verify the completeness and accuracy of the amount stated in the financial statement.

Inadequate supporting document in respect of CDMA revenue

Revenue from CDMA data and voice totalling Le2,931,040,187 could not be accurately ascertained as no recognised basis of revenue allocation was provided by Sierratel's Management.

The Committee

The Committee recommends that the company should recognise revenue that they can substantiate with relevant documents and adjust the said amount on the financial statement.

No Agreement Provided for United States Embassy Rent

The amount of Le22,200,000 stated as revenue from a United States (US) Embassy agreement could not be verified as no agreement was provided.

Official's Response

The GM said that what was stated in the account was US Embassy maintenance and that related to an invoice for providing a link to the US Embassy.

The Committee

The Committee recommends that the Management of Sierratel should provide the agreement to substantiate the amount stated as revenue from US Embassy.

Control Weaknesses in Revenue Collection

It was observed that the IT system which computed bills that charged customers, had no access restriction in the inputting of data. For example, there was no password control to access the computers; therefore, the auditors were unable to rely on the information generated from the system.

Official's Response

The GM stated that the billing system computers were restricted to specific users as the Land Lines were currently not working, no bills were produced and hence less security controls. He however mentioned that management would ensure that appropriate security measures were put in place which would include restrictive passwords when the land line billing system would be operational.

The Committee

The Committee recommends that the IT system should be updated with a user restriction on access controls.

Inadequate Supporting Documents in respect of Deferred Income

It was observed that amounts stated as deferred income totalling Le959,575,312,000 could not be verified, as the basis of calculation and supporting documents were not provided to the audit team.

Official's Response

The GM in his response said that the amount of Le959,575,312 stated as deferred income related to the 35% of recharge cards and internet activation paid for but not used at the end of the year. He stated that provision was made because of prudence in account as not all recharge cards purchased would be utilised at the year end. For internet activation, most of the subscribers paid in advance of two to six months and by the year end some would not have been used and therefore a liability on the company, he maintained.

The Committee

The Committee recommends that management should develop a well-documented policy on how its deferred income was to be calculated and provided for, in the financial statement.

Inadequate Supporting Document to the other Payables

Amounts stated as other payables amounting to Le 1,591,713,000 could not be verified as a schedule and other supporting documents were not provided.

Official's Response

The GM mentioned that the schedule for other payables had been enclosed for further attention.

The Committee

The Committee recommends that Sierratel should provide all supporting documents in respect of the other payable balance and ensure that a proper and updated record was kept and maintained in respect of the account balance in the financial statement.

Inadequate Supporting Documents in respect of Trade Payables

Payable confirmation letters were sent to Airtel, Tigo, Chell Holding and Sprint to confirm payables totalling Le 23,378,203,816 but no confirmation was received by the auditors up to the end of the audit.

Official's Response

The GM stated that he had sent all confirmation letters to the respective creditors but had not received response from any.

The Committee

The Committee recommends that Sierratel's management should take adequate measures to get the companies respond to the confirmation letters.

No Responses to Bank Confirmation

No responses were received from bank confirmations sent out to various banks.

Official's Response

The GM stated that he would continue to prevail on the banks to respond to the requests.

The Committee

The Committee recommends that Sierratel should take frantic action to ensure that the Banks responded to the circularisation.

No Confirmation Received from National Telephone Subscribers

National telephone subscribers and other receivables totalling Le 38,826,881,170 could not be verified as no supporting documents were provided to confirm the completeness and accuracy of the amount.

Official's Response

The GM stated that the receivable amount of Le38,826,881,170 was the total balance of Land Line subscribers. He mentioned that the listing of the balances provided to the auditors and receipts provided, though faded was as a result of the type of paper and length of time kept. He further said that they had sent all confirmation letters to the respective debtors but had still not received response from any of them.

The Committee

The Committee recommends that the management of Sierratel should provide all supporting documents in respect of the other receivable balances and ensure that a proper and updated record is kept and maintained in respect of the account balance in the Financial Statement.

Non basis of Calculating Impairment

Amounts stated as impairment allowance totalling Le14,709,276,423 could not be verified as the basis or justification of impairment calculation was not provided to the audit team.

Official's Response

The GM stated that the impairment allowance was a provision made on all inactive land line subscribers. The majority of the land line subscribers he said, were inactive and it would be very unlikely to recover amounts owed. It was therefore prudent to make a provision in the account, he concluded.

The Committee

The Committee recommends that Sierratel's management should provide all supporting documents in respect of the impairment calculation and ensure the maintenance of a proper and updated record in respect of the account balance in the financial Statement.

Inadequate Supporting Documents in respect of Tax Liability

The Auditors were unable to verify the balances on tax liability totalling Le8,635,166,398 as a schedule and supporting documents were not provided to the Audit team.

The Committee

The Committee recommends that the management of Sierratel should provide all relevant documents to substantiate the tax liability stated in the Financial Statement.

No General Ledger and Trail Balance Submitted

A trail balance and general ledger were not provided to the audit team.

Official's Response

The GM stated that a revised trial balance had been prepared for reference.

The Committee

The Committee recommends that management should provide those documents for inspection.

75. SIERRA LEONE TELECOMMUNICATIONS COMPANY (2010)

Default by Pentagon Agency in the supply of fuel

There was a short supply of fuel by Pentagon Agency to Sierratel's 21 sites. An average of 250 gallons was supplied rather than the agreed 360 gallons which Sierratel paid in advance for each month. No refunds were made by Pentagon Agency for such shortages in supply.

Official's Response

The GM stated that they were in the process of reconciling with Pentagon Security Services to establish any short fall in fuel supply and would request any payment that would be due from them.

The Committee

The Committee recommends that Sierratel's management should cause the Agency to refund the unsupplied fuel.

Proper Procurement Procedures not followed

It was observed that proper procurement procedures were not followed for expenditures undertaken totalling Le1,877,908,313 and there was no procurement unit.

Official Response

The GM stated that a procurement unit was not in place during the period. He however mentioned that a procurement unit headed by an appropriately and qualified procurement officer with the relevant qualification and experience had been set up. He added that a procurement committee comprising of senior management staff to which the procurement officer serves as secretary had been set up to handle all procurement issues. He said that Committee would ensure that all procurement of goods and services conformed to the requirement of the procurement act and was in the best interest of the company. He further said that the company relied on obtaining three pro forma invoices and quotations before deciding where to purchase.

The Committee

The Committee recommends that the company should ensure that the procurement process was followed for all expenditure and that it ought to consider setting up a procurement unit because of the quantum of procurements done.

No Supporting Document for Staff Gratuity

Amounts totalling Le 9,788,709,692 stated as staff gratuity could not be verified as no supporting documents were provided.

Official Response

The GM stated that the terminal benefit figure of Le 9,788,709,692 was a provision made in the account which was worked based on the expected benefits of all staff in the event of redundancy. He said that the exact working was normally done by an actuarial specialist and in the absence of such specialist; they adopted a mathematical approach to be prudent in making a provision. A copy of the calculation he said, was provided to the auditor and would be further provided as requested.

The Committee

The Committee recommends that the Management should provide all documents to substantiate the balance stated in the Financial Statement.

No Maintenance and Insurance policy

There was no Maintenance and Insurance policy for the majority of the assets owned by Sierratel.

Official Response

The GM stated that the company was in the process of formulating a maintenance and insurance policy to cover all assets

The Committee

The Committee recommends that the Company should implement a maintenance policy and ensure that all assets owned are insured.

Default to the Teltac Agreement

According to the agreement between Teltac and Sierratel, Teltac was to pay a monthly payment of US\$50,000 to the Poverty Alleviation Account. However no evidence of payment into the said account was given to the audit team.

Official's Response

The GM said that the Teltac agreement stated that a monthly payment of US\$ 50,000 be made to GOSL for poverty alleviation fund. He added that under the tripartite agreement between Sierratel, Celtel and the Government, Sierratel should use the \$50,000 for poverty alleviation to settle Celtel's debt and to reduce such payment from Government's debt to Sierratel. He mentioned that the \$50,000 payment was made accordingly until all Celtel's debt had been paid. On completion Sierratel had been making monthly payment to GOSL of US\$150,000, he further stated.

The Committee

The Committee recommends that the agreement with Teltac should be adhered to and all relevant documents relating to payments made into the Poverty Alleviation Account provided to the Audit team.

Inadequate supporting documents in respect of National Telephone line

Amounts stated as revenue from the national telephone, International Telephone and Telephone line rental totalling Le1,425,944,281 could not be verified, as adequate supporting documents were not provided.

Official's Response

The GM explained that the total revenue for local and international land line in the account was Le 444,557,173 as against Le1,425,944,281 questioned by the auditor's. He said they had provided a monthly breakdown of the figures and all files relating to the land line revenue. However, most of the receipts print out were not legible as they had faded due to time and print out paper material. He called attention to a copy of the schedule of the land line revenue which had been enclosed.

The Committee

The Committee recommends that Sierratel should provide all relevant documents to substantiate the revenue balance stated in the Financial Statement.

Inadequate supporting documents in respect of CDMA

Revenue from CDMA data and Voice totalling Le 3,248,457,380 could not be accurately ascertained as no recognised basis of revenue allocation was provided by Sierratel's management.

Official's Response

The GM stated that the amount of Le 3,248,457,380 related to actual sales of Recharge Cards and Internet activation, the analysis of which was provided to the auditors and all files submitted for verification. He mentioned that for prudence, they cannot charge all the gross sales as revenue as there was always recharge cards purchased and not used. That also applied to internet activation as most customers paid for more than a month's subscription, he added. The amount not used was referred as deferred income and it was a liability on the company at the year end.

The Committee

The Committee recommends that the Company should recognise the revenue that can be substantiated with relevant documents, and adjust the said amount in the Financial Statement.

Control Weaknesses in Revenue Collection

It was observed that the IT system which computes bills for customers had no access restriction in the inputting of data. For example, there was no password control to access the computers. The auditors were therefore unable to rely on the information generated from the system.

Official's Response

The GM stated that the billing system computers were restricted to specific users as the Land Lines that bills were sent to customers was currently not working, no bills are produced and hence less security controls. He however mentioned that management would ensure that appropriate security measures were put in place which would include restrictive passwords when the land line billing system would be operational.

The Committee

The Committee recommends that the IT system should be updated with user restricted access controls.

Inadequate Supporting Document to the Deferred Income

Payable confirmation letters were sent to Airtel, Tigo Chell holding and Sprint to confirm payables totalling Le5,603,732,000. However, as at the end of the audit, no confirmation was received by the auditor.

Official's Response

The GM said that they had sent all confirmation letters to the respective creditors but had still not received a response from them. He further stated that the responses were normally directed to the auditors. He however promised that they would continue to prevail on them to respond to the request.

The Committee

The Committee recommends that Sierratel's management should take frantic measures so that the companies could respond to the Confirmation Letters.

No responses to bank confirmation

No responses were received from bank confirmations sent out to various banks.

Official Response

The GM stated that he would continue to prevail on the banks to respond to the requests.

The Committee

The Committee recommends that Sierratel should take frantic action to ensure that the Banks responded to the circularisation.

Inadequate supporting document to the other payables

Amounts stated as other payables amounting to Le8,421,704,000 could not be verified as a schedule and other supporting documents were not provided.

Official Response

The GM mentioned that the schedule for other payables was enclosed for further attention and also said that they sent all confirmation letters to the respective creditors but had still not received a response from them. He further stated that the responses were normally directed to the auditors. He however said that they would continue to prevail on them to respond to their request.

The Committee

The Committee recommends that Sierratel should provide all supporting documents in respect of the other payable balance and ensure that a proper and updated record is kept and maintained in respect of the account balance in the Financial Statement.

No evidence of supervision for reconciliations prepared

There was no evidence of supervision of bank reconciliation statements prepared by a senior staff.

Official Response

The GM stated that they would endeavour to make sure that reconciliations were done for all banks and were properly supervised. For greater efficiency and control, management had decided to consolidate most of the bank accounts thus reducing the number of bank accounts to a minimum to ease the reconciliation process, he added.

The Committee

The Committee recommends that management should ensure that each bank reconciliation statement prepared was signed by senior personnel.

Inadequate supporting documents in respect of receivables

National telephone subscribers and other receivables totalling Le 18,914,815,000 could not be verified as no supporting documents were provided to confirm the completeness and accuracy of the amount.

Official Response

The GM stated that the figure for national telephone subscribers comprising local and international dialling calls had been amended and that a schedule was available for verification. He added that the national land lines had been non operational for a long time and they were in the process to resuscitate its operations with modern facilities and improved monitoring and control equipment.

The Committee

The Committee recommends that Sierratel should provide all supporting documents relating to National Telephone subscribers for the period under review.

Inadequate supporting documents in respect of impairment

The amounts stated as impairment allowance totalling Le 6,262,472,000 could not be verified. The basis or justification for the impairment calculation was not provided to the auditors for inspection.

Official Response

The GM stated that the impairment allowance was based on the shelved national and IDD subscribers from the system and approval was sought from the board for a provision to be made for bad debts and other non-active and non-recoverable debts to be written off the books.

The Committee

The Committee recommends that the management of Sierratel should provide to the auditors records showing the basis of calculation of the impairment.

No supporting document for writing off inventory

The sum of Le 1,800,000,000 was written off on inventories. However no supporting documents and basis of calculation were submitted to the auditors for inspection. It was recommended that calculations should be done in compliance with International Accounting Standards (IFRSs/IPSAS); otherwise, the basis of calculation should be clearly disclosed.

Official Response

The GM stated that management had requested approval from the board for unusable stock to be written off the books and based on that a provision was made in the account. He said that they would identify all those obsolete items and seek a final approval from the board for them to be totally removed from the books of account and further seek approval for their disposal.

The Committee

The Committee recommends that proper records of inventory that had been written should be maintained.

No Cash Flow Prepared

There was no cash flow statement submitted.

Official's Response

The GM stated that Sierratel would prepare a cash flow statement as an integral part of the revised financial statement.

The Committee

The Committee recommends that Sierratel should be preparing cash flow statements as an integral part of its financial statement.

No General Ledger and Trial Balance Prepared

There was no general ledger and trial balance submitted with the financial statement.

Official Response

The GM indicated that a revised trial balance had been prepared for reference.

The Committee

The Committee recommends that the general ledger and trial balance should be prepared to substantiate every transaction in the financial statement.

76. MARITIME ADMINISTRATION (2009)

Income from scanning fees not paid to Commissioner of Income Tax

The sum of Le1,530,806,883 for scanning fees received on behalf of NRA was not paid over to the Commissioner of Income Tax. This omission contravened the contract agreement that 7.5% of scanning fees collected on behalf of NRA should be promptly paid.

Official Response

The Acting Executive Director (Ag. ED) stated that payments to NRA were only made on the instructions of the Vote Controller to transfer funds and no such instructions were received.

The Committee

The Committee recommends that the amount of Le1,630,806,883 received on behalf of NRA should be paid over to the NRA immediately.

Non deduction of PAYE

A total of Le92,090,520 of PAYE that should have been deducted from the basic salaries and allowances of the former Executive Director, Mr. Lukulay for 2009, was neither deducted nor paid over to the NRA.

Official Response

The Ag. ED stated that the Former Executive Director claimed he was paying taxes in the form of benefits in kind to the NRA and this was stated in our monthly schedules sent to the NRA.

The Committee

The Committee recommends that the SLMA's Management should take steps to recover this amount from the Former Executive Director.

Non Insurance Coverage of Assets

SLMA's Management failed to insure their assets against loss in the event of disaster or theft.

Official Response

The Ag. ED said that Management had taken note of that and would forward to the Board for approval of an insurance coverage.

The Committee

The Committee recommends that the Acting Executive Director should ensure that all SLMA properties, plants and equipment are adequately insured to mitigate any eventual risk of loss.

77. MARITIME ADMINISTRATION (2010)

Income Collected not entered into Cash Book

Revenue collected at the various provincial offices were not recorded in the Cash Book; as a result, the auditors could not ascertain the total amount collected at the various district offices.

Official Response

The Ag. ED stated that all regulators outside the head office were given receipt books and the accounts department entered those receipts in the computerised accounting software used. He mentioned that the Administration maintained a computerised cashbook and not a manual cash book.

The Committee

The Committee recommends that SLMA's Management should ensure that revenues collected were recorded in the book promptly and receipts should be issued for all cash collected.

Income from Scanning Fees not paid to Commissioner of Income Tax

The sum of Le 828,709,987 for Scanning fees received on behalf of NRA was not paid over to the Commissioner of Income Tax. This contravened the contract agreement that 7.5% of scanning fees collected on behalf of NRA should be paid promptly.

Official Response

The Ag. ED stated that payments to NRA were only made on the instructions of the Vote Controller to transfer funds and no such instructions were received.

The Committee

The Committee recommends that the amount of Le828,709,987 received on behalf of NRA should be paid over to the NRA there and then.

Payment Vouchers not traced

Out of the Auditors' random sample tested a total sum of Le1,403,555,272 payment vouchers could not be found. Upon enquiry with the Accountant, it was noted that those payments vouchers were submitted to the Anti-Corruption Commission for investigations.

Official Response

The Ag. ED stated that after the investigation carried out by the ACC, some of the documents requested were not returned and thus were not available. He however mentioned that steps would be taken to retrieve those documents from the ACC.

The Committee

The Committee recommends that SLMA's Management should take steps to retrieve those payment vouchers from the ACC for audit verification.

Non deduction of PAYE

A total of Le101,374,272 of PAYE that should have been deducted from the basic salaries of the former Executive Director, were neither deducted nor paid over to the NRA.

Official Response

The Ag. ED stated that the Former Executive claimed he was paying taxes in the form of Benefits in Kind to the NRA and this was stated in their monthly schedules sent to the NRA.

The Committee

The Committee recommends that the SLMA's Management should take steps to recover that amount from the former Executive Director.

Non Insurance Coverage of Asset

SLMA's Management failed to insure their asset against any loss in the event of disaster or theft.

Official Response

The Ag. ED stated that management had taken note of this and would forward a proposal for insurance coverage to the board.

The Committee

The Committee recommends that the Executive Director should ensure that all SLMA properties, plants and equipment are adequately insured to mitigate any eventual risk of loss.

78. SIERRA LEONE STATE LOTTERY (2010)

Inventories with negative balance

In reviewing the clients' records, it was noted that the Kick Po inventory coupons had a negative balance of Le 34,462,297 as per the General Ledger.

Official Response

The MD said that as recommended, periodic inventory reconciliation was done then to correct the anomaly so that the inventory would be free from material misstatement.

The Committee

The Committee recommends that Management should endeavour to carry out a periodic inventory count and reconcile with accounting records, and inconsistencies identified must be investigated and promptly resolved.

Receivables from the National Commission for Privatisation

The institution's property at Tower Hill was partly occupied by the Company while the remaining portion is rented out to the National Commission for was Privatisation and the ASSL. Those companies share common facilities such as electricity and water supply. According to an agreement between the Company and the National Commission for Privatisation, upon receipt of the bills from service providers, the management of the Sierra Leone State Lottery Company should make payment to those suppliers and later bill the National Commission for Privatisation and the ASSL based on the office floor occupied. The audit team noted that unlike the ASSL, the National Commission for Privatisation had not been making prompt settlement for utility bills paid on their behalf and rent for the flat occupied. Highlighted below is the analysis showing the balances as per client record for years 2010 and 2011.

In thousands of Leones

Details	2010	2011
Rent	1,066,668	1,066,668
Utilities	85,840	85,840
Total	1,152,508	1,152,508

According to the analysis above those balances continued to remain unpaid and there was no clear settlement strategy from the National Commission for Privatisation regarding their obligation.

Official Response

The MD stated that over 80% of the debt owed by NCP was in 2008 before the appointment of the current chairman. He said that management would collect the debt as soon as possible. He confirmed that as of the utility bills were being paid by each respective institution.

The Committee

The Committee recommends that State Lottery Management must endeavour to collect all outstanding rents from the National Commission for Privatisation and seize to make settlement for utility bills on their behalf until refunds were made.

Revaluation of Property, Plants and Equipment

In 2004 the company opted for the revaluation model for valuing its office premises at no 44 Siaka Stevens Street, in accordance with International Financial Reporting Standards (IAS 16). The valuations ought to be kept sufficiently up to date so that the carrying amount did not differ materially from its fair value at the “financial position date”. However, no subsequent revaluation activity was carried out since the initial revaluation exercise.

Official Response

The MD confirmed that the recommendation regarding the revaluation of assets would be adhered to in compliance with International Financial Reporting Standards.

The Committee

The Committee recommends that Management must endeavour to carry out a revaluation exercise on the property on a regular basis to ensure that its carrying value at any “financial position date” did not exceed its market value.

79. SIERRA LEONE ROAD TRANSPORT AUTHORITY (2009, 2010, 2011)

Rental Income not paid

The Authority accommodated some tenants in its Kissy Road office for which, based on rental agreements, the Authority was expected to collect Le 1,500,000 annually as rent from those tenants. However, during the audit, the auditors were unable to sight evidence of collection of those rents in the Authority’s book.

Official Response

The ED stated that they noticed that those companies were not paying the rental income as stated in the agreement. He however said that management had written them a letter in respect of this, whilst awaiting their response. Some of the plate makers had made payments in respect of the arrears and management was also committed to ensure that all rent for 2013 were paid before 31st December 2013, he stated.

The Committee

The Committee recommends that the SLRTA Management should provide an explanation as to why those rents were outstanding and also ensure prompt payment of all rent due.

Agreements between SLRTA and contractors for the printing of number plates

The agreement between SLRTA and the contractors for the printing of number plates (International Association Services, Sarrah Trading Enterprises and Bilak Trading and Construction Companies) had expired since 2009.

Official Response

The ED stated that Management was in the process of drafting new terms and conditions for another agreement which may exclude non-performers.

The Committee

The Committee recommends that the Authority should ensure the existence of binding legal agreements between them and those Contractors, and those agreements must be made available for audit inspection.

Amounts not transferred to the Road Fund

Section 10 (a) of the Road Transport Act, 1996 states “the Authority shall have power, in connection with its functions under section 9- to impose and levy fees, including Vehicle Licensing and registration fees with the approval of parliament: provided that any Vehicle Licensing and Registration fees levied by the Authority shall be paid into the Road Fund under paragraphs (b) and (c) of sub-section (1) of section 25 of the Sierra Leone Roads Authority Act 1992 less any amount which the Authority may be allowed to retain to defray the Administrative costs of the levying of such fees”. However it was observed that, the end of year cash balances of Le3,706,532,000, Le3,546,973,000 and Le2,942,817,000 held by the Authority for the years 2009, 2010 and 2011 should have been transferred to the Road Fund as stated in the Road Transport Act.

Official Response

The ED stated that the ending cash balances related to December collection and that transfers into the road fund were done at the end of each month. He said that some of those balances were used to pay the Road Fund and also to defray their capital and administrative expenses.

The Committee

The Committee recommends that the Authority should ensure that it complied with all the provisions of the Road Transport Act, 1996.

Receivables described as suspense were not supported by documentations

Receivables of Le209,708,124 and Le 767,100,434 described as suspense in 2010 and 2011 could not be substantiated as no supporting evidences were provided to the audit team.

Official Response

The ED stated that the inadequate filing system had been the main cause for the delay/availability of all the relevant documents relating to this account balance. He said that

those were expenses whose supporting documents could not be located at the time of preparing the accounts because the accounts had been long overdue for submission. He however stated that efforts were being made to locate those documents by contacting the individuals who were in charge at that particular time; also some of the necessary documentations were being found as the search was ongoing. Management also had ensured suitable records management system, he added.

The Committee

The Committee recommends that management should make available supporting evidence relating to those receivable balances for audit inspection.

Stores documents for 2009 were not presented for audit review

Amounts totalling Le 1,740,717,000 and Le 2,019,002,000 in respect of inventory for 2009 and 2010 could not be substantiated as no supporting evidences were provided.

Official Response

The ED stated that the observation of the auditors was as a result of the death of the former store keeper Mr. Eric Lungay who was acting during that period and that records kept in his computer were not accessed. Since the store issues were inadequate the total store items acquired during that period were classified as inventory in the Balance Sheet. He however said that management had taken a robust measure by incorporating Store Module into its accounting software – Microsoft Dynamics Great Plane (GP) and that the new storekeeper was currently using it.

The Committee

The Committee recommends that management should make available all supporting evidence relating to the Authority's stores for audit inspection.

80. NATIONAL COMMISSION FOR DEMOCRACY (2011)

Non deduction of PAYE from Salaries

PAYE was not deducted from salaries that were above the income tax threshold.

Official's Response

The Commissioner stated that until recently, PAYE had been deducted and paid by the Accountant General's office on behalf of the Commission. He said that when approached to produce receipts for audit purpose, they had replied by saying that auditors should meet them to verify payments. He mentioned that the Commission had reverted to the old order by deducting and paying PAYE on behalf of staff.

The Committee

The Committee recommends that the PAYE must be deducted from salaries according to the Income Tax Act 2000.

81. SIERRA LEONE HOUSING CORPORATION (SALHOC) (2012)

General ledger not maintained

The Corporation did not maintain a General Ledger which should be used for posting account balances to the trial balance. In response to the previous management's comments, the observation was noted with the belief that the recommendation would be implemented; but the auditors noted that during the year under review, the General Ledger was not instituted by management.

The Committee

The Committee recommends that SALHOC should immediately put in place the General Ledger and ensure that regularly update is done

Mortgage/Divestiture Loan Card – Kissy Low-Cost Housing Estate

The auditors observed from a sample chosen that the mortgage/loan cards were not properly updated (for instance, balances on the card were not shown or regularly updated). It was also observed that instead of the accounts department which should be responsible for corporation finances and administering of mortgages, a junior staff in the Estate and Planning Department of the Corporation was responsible for issuing receipts for monies paid for mortgages, recording payments in the relevant loan cards and at the same time did bank lodgements with no supervision/counter check by a senior officer or the accounts department.

The response by management to this query was that they had taken appropriate action. However, the auditors further observed that the mortgage cards of members of staff of the corporation had still not been updated to reflect their correct outstanding balance. Their payments in the form of monthly deductions from their respective salaries and allowances had not been posted in their respective cards.

The Committee

The Committee recommends that monthly deductions from their respective salaries and allowances are posted in their respective cards

Payables and Accruals

The following accounts and balances included in the financial statements had been long outstanding without any movement:

	Le
Micro Credit Loan (Ministry of Finance)	50,000,000

Sewage Loan (Ministry of Finance)	20,000,000
Interest on Sewage Loan	16,750,000
Corporation Tax	18,328,000
Security Deposit Refundable	5,615,000
Deferred Credit	23,000
Insurance Accrued	22,498,000
Interdepartmental Loan	121,598,444

In a previous response of management, this observation was also noted and further commented on, that the recommendation would be forwarded to the Board for necessary action but no action was taken.

The Committee

The Committee recommends that monthly payables from their respective salaries and allowances are posted in their respective cards

Land and Building

Included in the land and building cost during the year under review were lands situated at Juba and Goderich not under the full control of the Corporation and the likelihood of recoverability was not imminent. Those properties had been developed by other individuals/institution for which the corporation was not earning any form of rent or being compensated for and as such no economic benefits had been derived by the corporation from owning those properties; they had therefore been considered impaired. However there was no provision for impairment loss on those properties during the year under review. It was further observed that the cost of those properties included in the land and building cost of the corporation could not be verified in order to ascertain the materiality of the amounts involved.

The Committee

The Committee recommends that the Board should take necessary action to reclaim ownership of those properties, either in the form of receiving rent or any form of compensation, alternatively, those costs should be identified and disclosed and the necessary provision for impairment on those properties be approved by the Board.

Huge debts owed to the Corporation

The auditor observed that the total amount of Le4,924,761,000 was tied up in debts owed to the Corporation during the year under review. Those monies were owed by tenants occupying both the OAU and Goderich (7th Battalion) Estates with no sign of recoverability.

The Committee

The Committee recommends that necessary action should be taken by Management to recover those debts; debt collection management strategy should be improved, alternatively provision

should be made for impairment loss thereby providing for a bad debt of at least 50% of that amount owed to the Corporation.

Analytical Review

The receivables/turnover ratio for 2011 was 253:1 whilst that of 2012 was 384:1 indicating an increase of 131%. Receivables due to the Corporation were Le 2,200,000,000 as compared to Le5,500,000,000 in 2012. According to information and explanation obtained from Management, efforts made to recover those debts had proved futile. The liquidity ratio was also 0.60: 1.

The Committee

The Committee recommends that a new strategy be implemented to curb the huge debt owed to the Corporation. Alternatively, Management should consider a provision for bad and doubtful debts to be forwarded for approval by the board for monies that are unlikely to be recovered

82. NATIONAL COUNCIL FOR TECHNICAL VOCATIONAL AND OTHER ACADEMIC AWARDS (NCTVA) 2011

Information Technology Safeguards

Although daily backups of transactions were being done, back up diskettes were not kept in the office. The auditors were also unable to ascertain that backup disks were stored safely in the office or off site for the period under review.

Official Response

The Director said that they now maintained backups of important documents at a secured location within the office and would also ensure that all files on backups were password protected to prevent unauthorized persons from accessing them.

The Committee

The Committee recommends that daily backups should be kept safely off site and a secured password system instituted.

Procurement rules flouted

There was evidence that some items were purchased without competitive bidding.

Official Response

The Director stated that management would ensure that all staff were provided with the procurement policy of the Organisation and that in future, all items bought would be done in line with the procurement policy of the organisation.

The Committee

The Committee recommends that Procurement Policy must be observed and implemented without delay.

Non Compliance with Laws and Regulations

There were still back log outstanding payments to NASSIT in respect of Social Security contributions. A repayment plan should have been done in 2011. However this was still not done.

Official Response

The Director mentioned that a payment plan was now in place and management had been complying with the terms of payment. He added that payments had however been slow due to the unavailability of funds since payment of funds by MEST had been coming late.

The Committee

The Committee recommends that an immediate repayment plan should be done and all efforts must be made to pay over outstanding employee's deductions to NASSIT.

83. ANTI-CORRUPTION COMMISSION (2011)

Outstanding balances under agreement to pay

Amounts totalling Le1,382,775,375 relating to out of court settlement and fines agreed between the Commission and concerned individuals were still outstanding as at 2011. The amounts had been long overdue. No evidence was seen of the Commission's effort in recovering such amounts. The Commission at the time of the agreement was satisfied that the persons involved were party to corruption and had benefited from it. The Commission would have instituted proceedings for damages but the persons agreed to pay to avoid court proceedings. There was no evidence of any correspondence sent to the persons concerned as a reminder.

Official Response

The Commissioner said that the collection of fines was outside the Commission's mandate and that the Commission had collected a total of over Le20,000,000,000 over the last 5 years. He further mentioned that Out of Court settlements did not always imply criminality and each case may turn on its own peculiar facts which would guide the Commission's future. For enforcement strategies he said it must also be noted that the option of civil process though available in those situations ought not to be hastily adopted, as it presented its own challenges

which prevented it from being a collection option. He however mentioned that the commission would intensify its efforts to collect outstanding amounts, as may be deemed expedient.

The Committee

The Committee recommends that the Commission should embark on monitoring these payments by ensuring that payments were made when due, regular reminders are sent to all persons concerned and necessary action taken against defaulters.

Kenema and Makeni buildings damaged

During our Provincial verification, it was observed that the new buildings in Makeni and Kenema had cracks on the walls. Upon enquiry, it was revealed that water leaked through the buildings during the rainy season. It was also observed that the roof of the Kenema building leaked during the rainy season.

Official Response

The Commissioner in his response indicate that attention of the Consultant had been drawn to that issue through a letter dated 6th September 2012, and promised that further action would be taken to ensure value for money.

The Committee

The Committee recommends that the Commission should deduct retention money for all construction projects and that it should contact the contractors to assess the cracks on the buildings and take necessary action. In addition, the contractor for the repairs on the roof of the Kenema building had to be contacted to rectify the problem in the roof and the Commission's management must ensure effective monitoring of the various construction projects it undertook.

84. SIERRA LEONE STOCK EXCHANGE (2011)

NASSIT dues outstanding

Total NASSIT dues to be paid for the period under review were Le40,699,509. However, it was observed that only Le14,859,649 was paid leaving an outstanding amount of Le25,839,860. Further reviews revealed that only Le12,796,040 was disclosed as NASSIT outstanding on the Financial Statement.

Official Response

The Director stated that the contribution related to the former Director General of the Exchange Mr. Jonathan Bangura. He said that during his time as Director General of the Exchange, Mr. Bangura did not complete his NASSIT registration and as such his NASSIT reference number,

which served as the basis for payment was not issued. He also said that several attempts had been made to complete his application but were unsuccessful. He said that the Exchange had noted the issue and had made a provision in its financial statements which was discussed with the Audit team during the 2010 audit but no adequate advice was given as to how the Exchange could resolve the issue since Mr. Bangura no longer worked there. The Exchange would appreciate suggestions from the Audit team as a way forward.

The Committee

The Committee recommends that all NASSIT deductions should be paid on time to avoid penal action against the Stock Exchange and the figures in the Financial Statement must be restated to reflect the correct NASSIT outstanding and paid over to NASSIT Authority.

No evidence of an approved budget

There was no evidence of a budget that guided the activities of the Exchange for the period under review.

Official Response

The Director stated that the Exchange had noted the audit findings and recommendation.

The Committee

The Committee recommends that a budget should be developed every year to give direction to the operations of the Exchange.

85. NATIONAL INSURANCE COMPANY (SL) LIMITED 2011

Long outstanding receivables

There were receivables which have been outstanding for more than four years on the receivables aging analysis.

Official Response

The Managing Director stated that most of the Companies major premium debtors were Government institutions such as NPA GUMA and SIERRATEL; which were facing serious liquidity challenges. In the given circumstance, the Company had embarked on a cross-debt agreement and payment plans with the clients which had yielded positive bad debt recoveries, he added.

The Committee

The Committee recommends that clients background checks and credit worthiness assessments must be performed before granting credit and credits should only be granted to clients with good credit ratings.

Review of reinsurance income debit notes

The reinsurance foreign income receivables were in credit and upon further review it was noted that debit notes were not posted and only receipts were posted.

Official Response

The Managing Director said that reinsurance foreign income was a fairly new area of business and noted that the reinsurance department was challenged to manually track the negotiations and generate debit notes. He mentioned that the debit notes were most times generated after confirming the arrangements. He however stated that management was considering moving that transaction to the Technical Departments where they could be easily tracked and reconciled using their Consolidated Software of Insurance and Accounting (CSIA).

The Committee

The Committee recommends that debit notes on reinsurance income should be reviewed by the accountant who must ensure that they are posted in time.

86. NATIONAL TELECOMMUNICATIONS COMMISSION (2012)

Late submission of Financial Statements

The Commission did not comply with sections 17(2) and 19(1) of the Telecommunications Act, 2006 which are reproduced hereunder:

Section 17(2) states that “The books of account kept under subsection (1) shall within three months after the end of each financial year, be audited by the Auditor-General or an auditor appointed by him”.

Section 19(1) states that “The Commission shall, as soon as possible but not later than six months after the end of each financial year, submit to the Minister a report of the activities, operations, undertakings, property and finances of the Commission for that year, including the Auditor-General’s report and a list of persons granted licenses in that year”.

Official Response

The Director General stated that the Commission had been working on meeting the target for timely submission of subsequent financial Statements. The 2012 Financial Statements, he said, was under review for submission and was expected to be audited before the end of 2013 as it would enable the Commission to meet the target early in 2014 for the audit of the 2013 Financial Statements.

The Committee

The Committee that action should be taken to ensure that the Act is fully adhered to

Revenue collection and debtors' management

The Commission did not have a comprehensive database of active operators/service providers in the country.

Official Response

The Director General stated that a special committee had been set up comprising the Director of Engineering, Director of Legal/Licences and Director of Finance to ensure that a data base for Operators/Service providers became operational by 18th October 2013.

The Committee

The Committee recommends that management should ensure that the data of the Commission's operators/ service providers were reviewed and updated.

87. OFFICE OF NATIONAL SECURITY (2009, 2010 & 2011)

Cash Count not done

According to the Accounting Manual of the Council, cash count should be performed on a quarterly basis. However, from a review, it was noted that it was not performed on a quarterly basis.

Official Response

The National Security Cordinator stated that arrangements had been put in place for the performance of quarterly cash counts.

The Committee

The Committee recommends that cash counts should be done quarterly and at the end of each financial year to ensure that cash balances are truly reflected in the Financial Statement of the Council.

No Procurement Unit - NPPA Acts 2004 Sect. 19 (1)

“A procurement unit shall be established in each procuring entity, staffed with persons trained and knowledgeable in procurement and charged with carrying out, on an ongoing basis, functions related to procurement”. The Council did not have a Procurement Unit as stated in the NPPA Acts, 2004.

Official Response

The National Security Coordinator confirmed that there was a Procurement Committee and personnel were on training to set up the unit.

The Committee

The Committee recommends that the provisions and regulations of the NPPA Act should be adhered to, by having procurement functions carried by the Procurement Committee because of the nature of operations of Council.

Unauthorised access to Personnel Files

Files were not appropriately secured to prevent unauthorized access. Also, personnel files maintained for other staff by the Council were inadequate to reflect changing circumstances.

Official Response

The National Security Coordinator said that files were appropriately secured to prevent unauthorised access.

The Committee

The Committee recommends that personnel files should be secured, and all information kept for all employees and regularly updated to reflect changing circumstances.

No approved conditions of service

There was not in existence an approved staff Conditions of Service.

Official Response

The National Security Coordinator stated that there was a draft condition of service for the Council which had been forwarded for approval by the Council.

The Committee

The Committee recommends that the Council should develop Conditions of Service that would address all staff issues.

No Human Resource Unit

The Office of National Security did not have a Human Resources Unit.

Official Response

The National Security Coordinator said that the Human resource Unit was embedded in the Admin and Finance Department and the Admin and Finance Department handled Personnel matters.

The Committee

The Committee recommends that the Council should consider setting up a Human Resource Unit to handle all human resource issues.

Understaffed Finance Department

The Finance Department was understaffed. The accountant was responsible for the processing of all transactions from start to finish.

Official Response

The National Security Coordinator noted the recommendation and stated that action would be taken.

The Committee

The Committee recommends that an accounts clerk be employed to assist the accountant in the day to day operations of the Council, especially those demanding segregation of duties.

Non- Submission of Accounts

The Council failed to comply with the provisions of the National Security and Central Intelligence Act, 2002, as the accounts for the years 2009, 2010 and 2011 were not presented to the Auditor General as stipulated in the Act. It was also noted that the Commission failed to submit its Annual Report to the President on time as stated in the Council Act of 2002.

Official Response

The National Security Coordinator said that action had been taken.

The Committee

The Committee recommends that management should endeavour to comply with every provision contained in the organisation's Act especially those that affect stakeholders' interests.

88. TERTIARY EDUCATION COMMISSION (2012)

The Accounting Environment

There was the absence of quarterly budget performance reports with variances explained and as such the performance of the different areas became difficult to fathom.

Official Response

The Executive Secretary said that management would like to make it known that there was a budget performance analysis on a half yearly basis, as the Commission's main source of revenue, through subvention, was provided half yearly by Government. He also mentioned that claims for each period could only be paid to the Commission when a proper budget spending and proper returns on how the Commission utilized its monies were accounted for and as such, because of proper accountability, the Commission had never been found wanting in any situation.

The Committee

The Committee recommends that all efforts should be made to strengthen the existing controls over expenses and the use of proper budgetary tools must be employed.

Noncompliance with Laws and Regulations

It was observed that social security contributions were deducted from employees' salaries and not paid to the appropriate authorities.

Official Response

The Executive Secretary stated that there had never been an instance in which Social Security Contributions were deducted from employees' salaries and not paid to the appropriate authorities. He said that the accounting firm had audited the Commission's accounts for the past four years and Social Securities payments were up to date. He however said that the Commission would like to state that for the period indicating accrued NASSIT and NRA, it spanned as far back as Financial Year 2007 when the Commission did not receive subventions from the Government for that period. Concluding, he said that the Commission was in the process of working out modalities with NASSIT and NRA to settle the back log.

The Committee

The Committee recommends that those amounts should be paid to NASSIT without delay.

Pay-As-You-Earn not paid over to the NRA

Monthly income tax deductions from employees' salaries were not paid over to the Income Tax Authorities.

Official Response

The Executive Secretary stated that there had never been an instance in which PAYE contributions were deducted from employees' salaries and not paid to the appropriate authorities.

The Committee

The Committee recommends that those amounts should be paid to the NRA without delay.

89. SIERRA LEONE WATER COMPANY (2010)

Review of Management Letter for the Year Ended 31st December, 2009

An assessment of the operating environment and the system of internal controls revealed the lack of Head office supervision of branch operations and the absence of profitability targets, financial and other operational goals set by management during the period under review. It was also observed that revenue for the period was recognized only when payments were made by customers instead of at the time bills were sent out. The Company also did not maintain a Fixed Assets Register and there was no asset capitalization policy. It was noted that the Company occupied the current premises at Tower Hill based on “long usage” and no rental or lease agreement existed between the Company and the owners of the premises.

Official Response

The Director General in his response stated that Regional Offices were staffed by Regional Managers and were supervised directly by their Regional Managers and monthly Internal Audit was carried out by the Internal Auditor of the company. He mentioned that since 2010, performance targets had been developed for each regional office and that once an electronic billing system was installed revenue would be recognized as bills were issued to customers. He further mentioned that preparation of an Assets Register was in progress and that a contract had been awarded for the purpose and all assets had been listed so far. The Director General asserted that the preparation of an asset capitalization policy was in progress.

The passing of the New SALWACO Bill 2013 would automatically provide title of ownership. Since the premises occupied belonged to the Government of Sierra Leone the passage of the New SALWACO bill would vest the premises to SALWACO

The Committee

The Committee recommends that the previous recommendations should be revisited and implemented.

Revenue not recognized on a cash basis

Revenue for the period under review was recognized on a cash basis instead of at the time the subvention/grants were approved by the government and also when bills were sent to customers. The auditors could not confirm whether the funds/grants received from government were actually requested by SALWACO as no supporting documents were made available during the

audit. Some of the revenue summaries sent to head office were not signed and approved by a senior responsible official.

Official Response

The Director General stated that the degree of uncertainty in receiving revenue from government made it difficult for revenue to be recognised at the point of approval by government. He said that the manual nature of their revenue collection would not support the recognition of revenue at the point when bills were issued to customers. He however stated that SALWACO was in the process of acquiring an electronic billing system that would resolve the inconsistency. He further mentioned that all revenue returns from the region were duly endorsed and supported by pay-in-slips

The Committee

The Committee recommends that revenue should be recognized on an accrual basis and that all the necessary supporting documents in respect of transactions undertaken by the organisation must be maintained and filed for future reference. All revenue summaries should also be signed by a senior responsible official before sending them to the Head Office.

Cash and bank balances not identified

A cash count certificate and other supporting documents were not provided to justify the cash balance of Le65,511,913.

Official Response

The Director General stated that cash counts were carried out each time replenishments were made and the cash count statement filed.

The Committee

The Committee recommends that the necessary supporting documents to support the cash balance be provided for future reference.

Receivables

Project receivables amounting to Le115,000,000 had not moved for the past two years.

Official Response

The Director General mentioned that there were no break-down for receivables in the 2008 Audited Accounts; hence individual debtors could not be identified. He said that most likely, those debts may have been collected unknowingly. He therefore advised that those debts should be written off.

The Committee

The Committee recommends that the above balance should be investigated and regularized and adjustments as found to be necessary made.

Payables

Trade payables amounting to Le266,000,000 did not move since the 2008 Financial Year.

Official Response

The Director General stated that there were no break-down for payables in the 2008 Audited Accounts; hence individual creditors could not be identified. He said that most likely, those creditors may have been paid unknowingly and therefore advised that the creditors be written off.

The Committee

The Committee recommends that the balance should be investigated and regularised and adjustments as found to be necessary made.

Governance policies flouted

Auditors were not provided with any evidence to prove that the chairman and other members of the Board had been in the Board for less than two years. In addition, allowances given to the Members of the Board were above the stipulated amount. An Analysis of the difference is given below:

Variance	(Le)
Amount given to the Board of SALWACO	115,073,000
Stipulated amount	70,375,800
Variance	44,696,200

According to paragraph 38(b) of the Company's Act "water is supplied to commercial concerns and such institutions as schools and hospitals by meter" however in the case of SALWACO, water was not supplied by meter.

According to paragraph 43.1 "if a person fails to pay any water charges for which he is liable under this Act, the Company may within twenty-eight days after the charges became due and payable recover from that person such charges together with costs and other expenses in a court". We however noted that this was not enforced during the period under review.

Official Response

The Director General stated that the term of the previous Board had ended in August 2010. In its replacement, he said a supervisory board was established which was made up of representatives from the Ministry of Energy and Water Resources as Chairman, Ministry of Finance and Economic Development and State House Strategic Policy Unit (SPU). He added that due to the circumstance of the company at that time, there was need for the Board to meet more frequently and that brought high Financial Burden on a Company whose financial standing was in a bad shape. As a remedy, he mentioned that the previous Minister prudently approved a fixed amount as Board fees to be paid at the end of each month. He further stated that the company had secured funds to procure five thousand meters under the Three Town Water and Sanitation Project and they would soon be installed to all operational areas of SALWACO customers. In conclusion, he noted that on a cost benefit basis, it was not prudent to take court action against their customers since most of them owed small amounts.

The Committee

The Committee recommends that the SALWACO Act, 2001 should be complied with at all times.

90. LAW REFORM COMMISSION (2011)

Financial Statements not properly prepared

Proper financial statements were not prepared and submitted for the 2011 financial year. Those should include the trial balance, balance sheet, Income and expenditure statements and cash flow statement.

Official Response

The Commissioner stated that he will endeavour to ensure that full and proper financial statements were made available for future audits.

No quarterly budget performance report

Once again as in 2008-2010, the auditors noted the absence of quarterly budget performance reports.

Official Response

The Commissioner stated that he would endeavour to prepare “Quarterly Budget Performance Reports in future.

The Committee

The Committee recommends that all efforts should be made to strengthen the existing control over expenses and the use of proper budgetary tools.

91. GUMA VALLEY WATER COMPANY (2011)

NASSIT Liabilities not paid

The auditors noted that the Company did not pay its NASSIT liabilities.

The Committee

The Committee recommends that timely consideration should be given to matters raised by the auditors, if the full benefits of the audit are to be realised.

Unchanging payable figures

It was noted that the under-mentioned payable accounts did not move for the whole year under review:

Table No. 9.10

Particulars	Amount (Le)
Retention	4,641,287
Retention – 2nd phase Guma project	1,263,842
Sea and Land services	10,706,845
DEOP Sewerage deposit	61,882,561
Subscriptions payables	7,898,761
Professional Services – taxation	2,060,000

The auditors did not receive responses from the Ministry of Finance confirming the IDA loan through Government which during the audit stood standing in the books at Le2,600,000,000 and Le123,500,000,000 as current and non-current liability respectively.

The Committee

The Committee recommends that the above accounts should be investigated, regularized and adjustments as found to be necessary made. In addition, all efforts should be made by Management to ensure the acknowledgement of those debts by the Ministry of Finance.

No responses from customers to confirm debtors' balances

Debtors circularization was done, but the auditors did not receive responses from customers for debtors balances amounting to Le7,857,160,452. The auditors were also not provided with an aged analysis report.

The Committee

The Committee recommends that vital steps should be taken by management to ensure the acknowledgement of those debts. Also an aged analysis report should be prepared and maintained at all times.

No responses received for bank confirmation requests

The auditors did not receive bank confirmations for the following banks:

- Rokel Commercial Bank
- Standard Chartered Bank
- First International Bank
- Union Trust Bank
- First Discount House

92. The Committee

The Committee recommends that the documents referred to above should be prepared and maintained for future reference.

93. ENVIRONMENTAL PROTECTION AGENCY (2012)

Matters previously reported invoicing

The Agency did not use the Quick Books financial management system for invoicing of licensing, monitoring, screening and application fees.

Official Response

The Executive Chair Person stated that Licensing and monitoring fees were calculated based on the Environmental Impact Assessment License Regulations, 2010. He said it was based on environment footprint and not a fixed sum. This regulation has put the Agency in a better position to have a structured invoicing system, he added.

The Committee

The Committee recommends that the Quick Books Financial Management system should be used for billing, and the Client accounts that should be reviewed by an independent officer of the Agency and relevant information should be made available for monthly board meetings.

File Management and Storage System

We observed that the file management and storage system of the Finance Department of the Agency was not well organised as accounting documents were not properly stored and filed.

Official Response

The Executive Chair Person stated that an improved system was currently in place and documents were scanned and stored to ensure a better back up for all financial transactions.

The Committee

The Committee recommends that a proper file management and storage system should be put in place to ensure that all accounting documents were accounted for and properly stored.

Budget Performance Reviews (Budget Tracking)

We observed that budget performance reports were not closely monitored by management to ensure that expenditures were in line with approved budgets at all times.

Official Response

The Executive Chair Person said that management was developing a budget performance mechanism to ensure that activities were aligned with proposed plans and timelines. A performance tracking table (PTT) he said was also submitted to the office of the President on a quarterly basis.

The Committee

The Committee recommends that a budget performance report must be prepared for the attention of management and the board on a monthly basis. The budget report should at least disclose the following:

- Approved budget*
- Actual for the period in question*
- Variances*
- Explanation of such variances*

Petty Cash – Leone Account

The sum of Le33,621,300 was noted between the monthly expenditure recorded in the Petty Cash Register and those posted to the Quick Book Financial Management System. A difference of Le 5,187,400 was also noted between the physical cash count amount and the amount recorded as cash balance in the draft Financial Statements. The auditors further noted a difference of Le 5,413,500 between the balance indicated as bank balance (as at 31st December 2012) in the bank reconciliation statement and the amount indicated in the bank statement from Bank of Sierra Leone.

Official Response

The Executive Chair Person stated that there were errors of mispostings between the Quick Books and the cash register and those would be rectified. He also mentioned that the difference

between the physical cash count amount and the amount recorded as cash balance was as a result of the physical cash count incorporated in the entire region (i.e. Bo and Makeni branch offices) whereas the cash balance was for the headquarters. He further mentioned that the difference of Le5,413,500 between the balance indicated as bank balance in the bank reconciliation and the amount indicated in the bank statement was due to the difference in the opening balances used. However, further investigations would be carried out on this figure, he concluded.

The Committee

The Committee recommends that the above mentioned anomalies and variances should be investigated and corrected. In addition, the petty cash postings to the Quick Book Financial Management System must be reviewed by a senior officer of the Agency to ensure that they are true and correct at all times.

Withholdings Tax Deductions

Withholding tax deducted from payments to suppliers and contractors were not posted to the Quick Books Financial Management System and as a result the amounts reported by the Quick Books Financial Management System were in most cases in-correct.

Official Response

The Executive Chair Person stated that withholding tax of 5% on payments to suppliers had been paid but not posted to the Quick Books. He said that the Agency had some challenges in sharing the software among users which restricted the rate of input. However, posting had been made in the current year 2013, he added.

The Committee

The Committee recommends that withholding taxes deducted from payments to suppliers and contractors should be accurately posted to the Quick Books Financial Management System and those postings should be reviewed by a senior officer of the Agency.

Internally Generated Income

Receipt numbers were not posted to the Quick Books Financial Management Software which rendered it difficult and time consuming to trace those incomes to their supporting documentations. Receipts were also not issued for all licensing and monitoring fees received by the Agency for the entire period under review. Furthermore, two different receipts were issued to Sierra Rutil Limited and Talisman for the same amount although different dates were indicated in the receipts (Sierra Rutil Limited – 0503-25/9/2012 and 0504 – 04/01/2012, Talisman – 0521 and 0520).

Official Response

The Executive Chair Person stated that receipt numbers were not posted to the Quick Books financial management software which had been enhanced. He noted that a better networking system of this software had been put in place to enable more users have access to the files, adding that the Agency realised that many proponents did not collect receipts. He further said that the two different receipts were cancelled but that was not indicated in the books.

The Committee

The Committee recommends that receipt numbers should be part of the transaction details posted to the Quick Books Financial Management System in respect of income transactions. In addition, the above mentioned transactions in respect of Sierra Rutile Limited and Talisman should be investigated and corrected. Furthermore, receipts should be issued for all funds received by the Agency except also base on accepted accounting principles and practices.

Vital documents of funds from donors not submitted for inspection

The audit revealed that funds from UNEP Funded Project amounted to Le 257,494,277 and UNDP donations, Le 166,217,248. However the grant agreements and correspondence from UNDP and UNEP were not made available to substantiate the truthfulness of the above mentioned amounts.

Official Response

The Executive Chair Person said that some of those projects were inherited from the Ministry of Lands and the Environment and there were other projects, funded by the UNDP who were the custodians of the original Grant Agreements. He added that the EPA could facilitate a meeting with UNDP for more insights into those projects.

The Committee

The Committee recommends that the documentation supporting the above mentioned transactions must be made available for verification.

Arithmetical errors on staff payroll

There were a number of arithmetical errors in the staff payrolls in respect of basic salary, allowances, gross pay, PAYE and NASSIT.

Official Response

The Executive Chair Person stated that those anomalies had been rectified.

The Committee

The Committee recommends that payroll calculations must be checked by a senior officer of the Agency for arithmetical errors and other inconsistencies.

Remuneration for Board Members

The following were observed:

- A resolution was passed by the board in November 2012 to pay each board member a bonus of Le 8,000,000;
- Terminal benefits were paid to three staff at a rate of 30% per annum for each term of office;
- Members of the board were given 200 litres of fuel per month instead of 50 litres per month which was agreed by them in December, 2011 contrary to the fact that remuneration including bonuses granted to board of directors should be determined by an independent body and not by the Board of Directors themselves; and
- The term of office of most of the board members had expired as they were appointed into office for a period of three years, i.e. three years to October/November 2012.

Official Response

The Executive Chair Person in his response mentioned the following:

The Act as quoted above provides the board with the mandate to approve these payments. Also, please note that Section 6 is not unique to the EPA, as the Radiation Act also provides likewise;

The board had approved these percentages. There are relevant board minutes to confirm these percentage increases;The figure was inadvertently recorded as 50 litres of fuel per month instead of 200 litres which was the amount approved by the board. Board minutes are available to support this claim; and

The term of office of the board members have been approved by the office of the President in retrospect. Letters are available for inspection.

The Committee

The Committee recommends that the above mentioned transactions be ratified by the authorised officer.

94. SIERRA LEONE BROADCASTING CORPORATION (2011 & 2012)

The personnel responsible for the accounting and financial operations of the Head Office lacked basic accounting skills and experience required for the effective and efficient running of the Finance unit. There was the absence of simple double entry book keeping system, resulting in the nonexistence of general ledgers in the organisation. The lack of understanding was demonstrated

in the trial balance for the Accounting years ended 31st December, 2011 and 31st December, 2012.

Official Response

The MD stated that management acknowledged the observation made under that sub heading regarding the finance department. The staff in that department were inherited from the Sierra Leone Broadcasting Service (SLBS) when it was a Civil Service, and at that time, Civil Servants of their level were only knowledgeable in the Vote Service Ledger accounting system, which is no longer in use, he added. He however, stated that efforts had been made by Management to secure an accounting software package and staff training would be provided in order to meet the international accounting principles. He further mentioned that management had also put in place manual Double Entry book keeping system and the Trail Balance for the accounting year which ended 31st December 2011 and 31st December 2012, and had been adjusted and ready for verification.

The Committee

The Committee recommends that the SLBC should recruit skilled staff in the finance department to meet the departmental challenges

Salary Advances and Loans

In 2011 and 2012, Le 5,260,000 and Le 5,711,000 respectively were selectively not deducted from the salaries of certain individuals.

Official Response

The MD stated that Management acknowledged that finding, following their internal investigation of the matter. He said that they were pleased to inform ASSL that with effect from October 2013 all staff indebted to the Corporation were going to have deductions made from their salaries. The finance staff who allowed this anomaly to occur had been served with query letters, for necessary actions, he further mentioned.

The Committee

The Committee recommends that the Finance Department should ensure the deductions of staff loans and advances from salaries.

Payment Vouchers Missing

The Corporation used pre-numbered payment vouchers. From the payment voucher files made available for 2011 and 2012, many payment vouchers were missing. The Finance Department operated an Excel spread sheet for Book keeping purposes. However payment voucher number was not among the data recorded on the system. The Department only recorded date, cheque number, amount and payee, thus making it difficult to trace transaction on the system by

reference to voucher numbers. There were also many cheques not recorded in the system as expenses. On examination, the auditors verified that though most of the cheques were cancelled, some of the missing cheques on the records were paid to payees and cashed by the bank.

Official Response

The MD stated that management acknowledged that personnel of the finance department were using pre-numbered vouchers during the period under review. He however stated that management wished to inform ASSL that with the procurement of an accounting software package, the accounting system in the Corporation would become easy to reference any payment voucher. He further mentioned that management wished to inform ASSL that all missing vouchers and cheque numbers that were not recorded in the system as expenses had been adjusted in the financial statements, and were ready for verification.

The Committee

The Committee recommends that the Corporation should use pre-numbered payment vouchers and all alleged missing vouchers should be provided with immediate effect for audit verification.

95. ROAD MAINTENANCE FUND (JULY 2011 – DECEMBER, 2012)

Procurement procedures not followed

Procurement procedures were not followed for expenditures totalling Le204,274,400.

The Committee

The Committee recommends that procurement procedures must be adhered to according to the Procurement Act, of 2004 and where the procedures are not complied with the reasons should be documented.

Excess payment to Contractors

Independent checks to confirm correctness of outstanding amounts owed to contractors were not done by the administration for the payment requests sent by the SLRA. As a result of this Le14,442,652 was paid in excess in the case of the final payment request verified. Also, some cheques which were prepared for payment to some contractors were not collected by them.

Official Response

The CEO stated that the payments in question related to contracts awarded by SLRA between 2010 and 2011 before the RMFA took over the management of the fund. He mentioned that those were liabilities passed over to RMFA by SLRA without the supporting signed contracts between

SLRA and the contractors. He said that they had acted in good faith trusting and relying on the submission of SLRA as the employing agency and in accordance with the provisions of Section 23 (2) (a) of the RMFA Act, 2010. He however stated that he would ensure that all future requests by SLRA were thoroughly scrutinized and verified, and supporting documentations obtained.

The Committee

The Committee recommends that all payment requests by SLRA should be investigated and approved before payments are made to avoid over payment by the administration.

No evidence of board minutes

There was no evidence of board minutes with respect to sitting fees paid to four board members amounting to Le7,500,000.

Official Response

The CEO stated that minutes of the Board Finance Committee Meetings which approved the payment of sitting fees to board members were available for audit inspection. He said that the Committee meeting minutes had been filed separately from the main Board minutes which were requested for audit inspection during the field audit.

The Committee

The Committee recommends that the evidence of board meetings should be made available for audit inspection or the board members in question must refund the sitting fees to the Administration.

Breach of the RMFA Act

There was no Board meeting for the period March 29, 2012 to October 9, 2012 which was in contravention of section 6(1) of the Road Maintenance Fund Administration Act 2010, which states that “The Board shall hold its first meeting on a date and at a time to be determined by the minister, after consultation with the board; and after that, the Board shall meet for the dispatch of business at least once every three months”. The Chairman last attended a board meeting on 29th March, 2012, two board meetings were held in his absence on the October, 2012 to January 23, 2013. The RMFA Act was also not clear on the power to convey regular board meetings.

Official Response

The CEO in his response stated that he had no idea why the board did not meet as required by the Act with regard to the chairman not attending board meetings, the CEO confirmed that the Chairman had been informed of all Board meetings.

The Committee

The Committee recommends that the Administration should ensure full compliance with the RMFA Act, 2010 regarding the convening of Board meetings.

96. ENHANCED INTEGRATED FRAMEWORK COUNTERPART FUNDING (2012)

Counterpart Fund

An amount of Le100,000,000 was paid into the Counterpart Fund by the GOSL for the EIF project. However, no records for the above transaction were disclosed in the 2012 Financial Report of the Project as required by Project Reporting Standards.

Official Response

The Project Coordinator stated that in future, the issue would be addressed accordingly.

The Committee

The Committee recommends that all government support to the project must be disclosed in the financial report and that the National Implementation Unit should ensure that it complied with the reporting standards in the Memorandum of Understanding.

97. W/A REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAMME (2012)

No segregation of duties

There were control weaknesses in the processing and recording of financial transactions. Adequate segregation of duties did not exist between the initiation, authorization, disbursement and recording function, as the Financial Management Specialist carried out all the operations alone from inception to conclusion.

Official Response

The Project Coordinator stated that MoIC had assigned the Accountant of the Ministry to handle the finances of the Project. He also mentioned that a Finance Clerk had been assigned to assist the Accountant in the Project. He said that hopefully, the increment of staff would reduce the work load of the Accountant and ensure segregation of duties.

The Committee

The Committee recommends that the project should ensure segregation of duties

Periodic review of the Project's Internal Controls and compliance was not done

The Ministry of Information and Communication's Internal Audit is charged with the responsibility to review the internal controls systems, the overall operations and compliance with the agreement of the project. The Internal Audit did not conduct any work on the project for the period under review.

Official Response

The Programme Coordinator in his response stated that the MoIC had directed the Internal Audit team of the Ministry to prepare quarterly work plan and audit programmes in reviewing the internal control processes of the PIU and submit quarterly reports on its work with the project. He said that full access had been given to the auditors to all financial records and documents.

The Committee

The Committee recommends that internal controls and compliance must be adhered

98. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT/RURAL FINANCE AND COMMUNITY IMPROVEMENT PROJECTS (2011)

Financial Issues

A handful of Payment Vouchers relating to the procurement of certain items inspecting by the auditors, did not bear the signature of the Coordinator, confirming his approval/authorization of the transaction.

Official Response

The Project Coordinator said that management would ensure that all payment voucher were fully initialed by the appropriate personnel.

The Committee

The Committee recommends that management should ensure that payment vouchers are completed in full and initialed by authorized personnel before any payment transaction is effected.

Sites visitation

The auditors visited project areas in Kenema, Kailahun, Kono and Koinadugu districts, where the Rural Finance and Community Improvement Projects (RFCIP) sponsored by the International Fund for Agricultural Development (IFAD) and Government of Sierra Leone (GoSL) were undertaken, and the following were observed:

- The construction of the Technical Assistant Agency building at Lambayama Section Blama Road Kenema was still in progress.

- The construction of the Financial Services Association (FSA) building at Largo in the Nongowa Chiefdom is yet to be completed. The reason for the delay was that the initial contract was terminated and another contractor was subsequently sought.
- The construction of the Community Bank at Tongo Field in the Lower Babara Chiefdom had been completed and ready for full operations but the Manager's quarter was yet to be fenced.

Official Response

The Project Coordinator noted the observations and recommendation.

The Committee

The Committee recommends that more efforts are put in place to ensure the speedy completion of the projects.

99. YOUTH EMPLOYMENT SUPPORT PROJECT (2012)

Computerized Accounting Software

In accordance with the Project Operations Manual, page 23, Chapter 101, "the books of account will be maintained on computerized accounting system (Sun Accounting), in order to ensure accurate processing and reporting of the use of funds." This was not in place during the course of the audit assignment. An excel spread sheet print-out was made available to the auditors.

Official Response

The Project Coordinator stated that Management was of the view that the Sun Accounting Package was too large taking into consideration the size of the project. He said that Management would look into other possibilities to address the concerns of the auditors.

The Committee

The Committee recommends that Sun Accounting Software should be procured and installed and all staff involved in the financial management of the project should be given comprehensive training.

No Chart of Account Developed

There was no Chart of Account developed for the project.

Official Response

The Project Coordinator stated that discussions had commenced with the relevant departments within the Ministry for the Government's chart of accounts structure to be rolled over to the project.

The Committee

The Committee recommends that there must be Chart of Accounts developed for the project, which must be in compliance with the Project Operation Manual and in consonant with the Finance Agreement.

No signed Contract Letter for Consultants

There was no Contract Letter or Letter of Engagement signed by the Consultants who received salary from the project implementing unit. There were evidences that payments were made at the end of the respective months to consultants, but they could further examine the terms of engagement to establish if the terms were being complied with by the duo.

Official Response

The Project Coordinator stated that Contract letters were available for all core staff being paid from the project and could be made available for review.

The Committee

The Committee recommends that the Contract Letter or Letter of Engagement must be made available to the auditors as audit evidence or a letter of representation be made by the project implementation unit.

100. LOCAL CHIEFDOMS

Mr. Speaker, Hon. Members, the audit of Local Chiefdoms focused primarily on the collection and administration of local taxes and other revenue generated by Chiefdom Councils which were deemed as high risk areas. Risk simply means the possibility of something undesirable happening at some time in the future and could have a negative impact should it happen. The exercise was carried out to ascertain whether the financial documents and books of accounts were a reasonable presentation of the results of the activities for the period, and applicable internal control procedures necessary for sound and prudent financial management were in place, and in line with existing rules and regulations.

According to the Local Government Act of 2004, the Chiefdom Councils' significant role is to ensure that revenues raised from local taxes and from mining revenues other than those collected by the Government are shared between itself and the Local Councils. Such revenues are used in the running of the affairs of the Chiefdoms.

Mr. Speaker, Hon. Members, In general and across virtually all Local Chiefdoms the significant matters identified in the audit examinations fall into the following areas:

- Poor cash and bank account management practices;
- Missing supporting documentation for transactions;
- Inadequate use of or a failure to use Asset Registers;
- Failure to deduct withholding tax from supplier remittances;
- Monthly Bank Reconciliations not carried out; and
- Precepts not deducted and paid to the Local District Councils.

Mr. Speaker, Hon. Members, the following below is list of the Chiefdom Councils under review:

1. Badgia Chiefdom
2. Bagbo Chiefdom
3. Bagbwe Chiefdom
4. Baoma Chiefdom
5. Kakua Chiefdom
6. Bumpeh Chiefdom
7. Gbo Chiefdom
8. Jaiama Chiefdom
9. Lugbu Chiefdom
10. Tinkonko Chiefdom
11. Valunia Chiefdom
12. Wonde Chiefdom
13. Selenga Chiefdom

Payments without supporting documents

Supporting documents for payments made by Local Chiefdoms, totalling Le313,074,513 were not presented for audit inspection for the reviewed period. As these documents were not made available, there is the risk that these payments were for goods or services that were not actually delivered to the respective institutions.

The Committee

During the Committee hearings the accounting officers in the Chiefdom Councils responded that they were not au-fait with the basic financial regulations and since the audit report under review was Chiefdom Councils first audit. Therefore, the Committee recommends that Chiefdom Administrative Clerks should ensure that all supporting documents in relation to those transactions are submitted to ASSL for inspection with all the Payment Vouchers within 30 days after the adoption of this report by Parliament.

Monies not brought to Account

A comparison between the receipt books used in the collection of revenue and the Bank Pay-in-slips and statements revealed a difference of Le86,396,000 that was not brought to account. It is critical that all revenue collected must be banked for proper accountability; otherwise it may be diverted into private use.

The Committee

The Committee recommends that the revenue generated from the payment of local taxes, fines and other charges should be banked intact and the bank statements and

pay-in-slips retained for audit and reference purposes. The Chiefdom Administrative Clerks should also ensure that the total amount was accounted for by those concerned and paid back into the Chiefdom's Account and payment forwarded to ASSL for verification.

Payment without recipient signature

There was no evidence in the form of recipient signatures on the payment vouchers as evidence of receipt to indicate that salaries/payments amounting to Le20,791,496 were received by suppliers/staff of the Chiefdom. There is the risk that salaries/payments were not made to the intended beneficiaries. There is a possibility that payments may be made to non-existing suppliers or staff.

The Committee

The Committee recommends that the Chiefdom Administrative Clerks should provide the documentary evidence indicating that salaries/payments were received by the correct recipients and this must reach ASSL within 30 days after the adoption of this report by Parliament otherwise, the full sum should be refunded.

Withholding tax not deducted and paid to the NRA

During the audits of the Local Chiefdoms conducted during 2013 it was identified that withholding taxes totalling Le6,245,300 were not deducted and paid to NRA as specified by section 117(4) of the Income Tax Act 2000. The amounts identified during the audits **MUST** be recovered and paid to NRA and evidence of payment forwarded to the ASSL for verification. The Commissioner of Income Tax should also take necessary action. The Government of Sierra Leone relies on tax revenue to finance key public services. Failure to properly and fully deduct, collect and remit withholding tax reduces available government revenue and, ultimately, reduces the level and quality of public services received by citizens.

The Committee

The Committee strongly recommends the immediate payment of all statutory deductions to the respective institutions without any delay.

Monthly bank reconciliations not prepared

A number of Local Chiefdoms audited did not perform monthly bank reconciliations during the period subject to audit. It is critical that institutions properly reconcile the statements received regularly from commercial banks and cashbook records maintained within the institution. This ensures that accounting entries recorded in the cashbook

represent all transactions carried out and that amounts recorded are correct. Failure to reconcile the bank accounts in such a way raises question marks not only on the cash balance recorded in the cashbook but also over revenue and expenditure items reported. It is critical that the Local Chiefdoms perform bank reconciliations shortly after the end of each month. All differences should be fully investigated and the appropriate corrections made to the cashbook.

The Committee

The Committee recommends that the Chiefdom Councils should prepare monthly bank reconciliation report for good financial management.

Precepts not deducted

Local tax collected during the period under review revealed that precepts amounting to Le96,702,133 were not deducted and paid to the Local District Councils. This may undermine the District's planned commitment in addressing the felt needs of chiefdoms.

The Committee

The Committee recommends that the Chiefdom Administrative Clerks should ensure that precepts are deducted in accordance with the regulation and paid to the District Council as soon as taxes were collected; Furthermore, the Chiefdom Council Treasury Clerks must forward the relevant documentary evidence supporting the payment of precepts to the District Council to ASSL for verification, within 30 days after the adoption of this report by Parliament; otherwise, the total precepts due must be immediately refunded.

Fixed Assets Registers not maintained

A number of Local Chiefdoms audited did not maintain Fixed Assets Registers. This contravenes section 231(1) of the FMR 2007. Failure to maintain a Fixed Assets Register makes it virtually impossible to maintain adequate control over assets held. Fixed asset registers should be introduced immediately and Chiefdom Administrators must ensure that the location and state of all assets are checked on a regular basis, evidence of which must be documented.

The Committee

The Committee recommends that all Chiefdom Councils should maintain an asset register and regular update is required.

101. SCHOOLS

Breaches in Girl Child Support Refund Procedures

In accordance with Guidelines for the refund of fees under the Girl Child Education Support, the school authorities must complete the following information during the refund of fees: the details of the pupil (names of pupil, Form & Admission Number), fees (paid, owed & refunded), details of parents/guardians (Name, address & Phone Numbers) signature and date. Refunds must be made only to a third party (parents/guardians) and the beneficiaries must acknowledged receipt of refunds by signing (not thumb Print) if their parents are unable to do so.

Relevant procedures, as stated above, were not fully met by some schools in the refund of Le64.3 million to beneficiaries for the Girl Child Education Support. This breach in guidelines may have resulted in funds being diverted to personal use thereby leading to the loss of government funds.

Table 11.1 -*Breaches in Girl Child Refund Procedures*, identifies Schools, and provides values for the breaches described above.

Table 11.1 Breaches in Girl Child Support Refund Procedures	
Name of School	Amount paid without fully following procedures Le
United Methodist Church-Bo	13,325,000
Ansarul Islamic JSS-Bo	4,870,000
Saint Andrews JSS-Bo	25,525,000

Yoni Bana Junior Secondary School- Yoni Bana Town	3,600,000
Services Secondary School Juba –Freetown	7,900,000
Murray Town Municipal Junior Secondary School- Freetown	9,060,000
TOTAL	64,280,000

The Committee

The Committee recommends that the total sum to the region of Le 64,280,000 must be accounted for within 30 days after the adoption of this report by Parliament, otherwise; the full amount be refunded by the schools' authorities.

Unclaimed Girl Child Support Refunds not Paid Back into the Crf

The School Authorities were to make returns to the Consolidated Revenue Fund (CRF) in respect of unregistered and/or unrefunded claimants. Unclaimed refunds, totalling Le89.5 million were not paid back into the CRF. In addition, there was no evidence to indicate that this amount was paid back to beneficiaries.

Table 11.2 Unclaimed Refunds not paid back into the CRF	
Name of School	Amount Le
Queen of the Rosary JSS-Bo	150,000
Nusrat Jahan for Girls-Bo	150,000
Ansarul Islamic JSS-Bo	2,880,000
Ahmadiyya JSS-Freetown	4,180,000
Bishop Comforti Agricultural Secondary School Mile 91	800,000
Makeni Comprehensive Academy Junior Secondary School	1,025,000
Wallace Johnson JSS-Freetown	1,350,000
United Methodist Secondary School For Girls-Freetown	2,450,000
St. Joseph's Secondary School –Freetown	27,625,000
Henry Fergusson Junior Secondary School Freetown	1,550,000
Government Independent Memorial Junior Secondary School Freetown	6,000,000
Government Municipal Secondary School Freetown	

Table 11.2 Unclaimed Refunds not paid back into the CRF	
Name of School	Amount Le
	475,000
Freetown Secondary School For Girls Freetown	38,823,000
Methodist Junior Secondary School – Kenema	506,950
Dr. S.M. Broderick Junior Secondary School Freetown	1,590,000
TOTAL	89,544,950

The Committee

The Committee recommends that these refunds must be made immediately.

Girl Child Support Refunds to Ineligible Beneficiaries

Refunds were only to be made to those registered claimants who had paid their fees in full or in part and who had valid fees receipts. In addition, repeaters, non-claimants and fee defaulters need not be refunded. An amount of Le37.9 million was paid to persons whose names were neither on the claim sheet as pupils nor on the Fees Register.

Table 11.3 Refunds to Ineligible Persons	
Name of School	Amount Refunded Le
Ahmadiyya JSS-Freetown	1,940,000
Annie Walsh Memorial JSS-Freetown	4,605,000
Bishop Johnson Municipal School-Freetown	1,125,000
Wesleyan Secondary School- Freetown	5,870,000
Vine Memorial JSS-Freetown	5,030,000
St. Joseph's Secondary School –Freetown	3,250,000
Services Secondary School, Juba- Freetown	900,000
Government Model Secondary School-Freetown	3,000,000
Freetown Secondary School For Girls- Freetown	6,675,000
King Fahad Secondary School- Freetown	3,515,000
Lukes Commercial Secondary School – Kenema	2,000,000
TOTAL	37,910,000

The Committee

The Committee recommends that the sum of Le 37,910,000 must be recovered and paid back to CFR

No Evidence of Girl Child Support Refunds to Beneficiaries

Despite repeated requests, several vital documents for funds received for the Girl Child Education Support program were not presented for audit inspection in some schools. There was no evidence to indicate that the sum of Le138.4 million paid into the school fees accounts, had been paid over to beneficiaries. There is the risk that this fund may have been diverted to personal use.

Table 11.4 No Evidence of Girl Child Support Refunds

Name of School	Amount Le
Abdel Nasser JSS-Bo	9,850,000
National Commercial Secondary School- Magburaka	840,000
Badru Deen Islamic JSS – Kenema	9,225,000
Murray Town Municipal JSS- Freetown	35,697,000
Henry Fergusson Junior Secondary School- Freetown	34,080,000
Government Independent Memorial Junior Secondary School Freetown	25,780,000
Dr. David Arnold High School Freetown	22,900,000
TOTAL	138,372,000

The Committee

The Committee recommends that the Principals should ensure that a proper system existed for the safe custody of all accountable documents by putting shelves and control ledgers in place to monitor the inward and outward movement of documents.

Teachers without Employment Data (Ed) Forms

Examination of payroll records maintained and submitted by the school revealed that copies of ED Forms and/or Appointment Letters were not kept in teachers' Personal Files. The sum of Le153.5 million was paid to these teachers during the period under review. There is the risk that salaries may be paid to non-existing staff.

Table 11.6 Teachers Without ED Forms	
Name of School without ED Forms/App Letters	Salary paid Le
United Methodist Church JSS-Bo	11,369,128
Ansarul Islamic JSS-Bo	31,107,048
Saint Andrews JSS-Bo	111,004,100
Total	153,480,276

The Committee

The Committee recommends that the schools authorities should follow-up with the Ministry of Education to resolve this matter immediately.

Unclaimed Salaries not paid into the CRF

Section 96(7) of the Financial Management Regulations 2007 requires that any unpaid personnel emoluments shall be repaid to the Accountant-General and the entry on the salary voucher shall be initialed by the paying officer and verified by the Chief Financial Officer.

Bank paying-in-slips and Accountant General's receipts were not available as evidence to justify that unclaimed salaries amounting to Le40.6 million were paid into the CRF. In addition, there was no evidence to indicate that this amount was paid back to the respective employees. There is the risk that payments of salaries may be made to non existing staff.

Table 11.7 Unclaimed Salaries not Paid into the CRF	
Name of School	Unclaimed Salary Le
Abdel Nasser JSS-Bo	4,833,892
Ansarul Islamic Sec. School - Mile 91	11,992,883
Badru Deen Islamic Junior Secondary School – Kenema	1,794,412
Benevolent Islamic Junior Secondary School – Magburaka	670,000
Bishop Comforti Agricultural Secondary School - Mile 91	463,603

Table 11.7 Unclaimed Salaries not Paid into the CRF	
Name of School	Unclaimed Salary Le
Yoni Bana Junior Secondary School-Yoni Bana Town	5,152,074
St. Francis Senior Secondary School-Makeni	5,304,698
St. Francis Junior Secondary School, Makeni	1,534,950
Sierra Leone Muslim Brotherhood Junior Secondary School - Mile 91	1,104,410
Kissy Municipal Junior Secondary School – Freetown	4,209,198
Government Secondary School For Boys – Magburaka	2,705,048
Freetown Secondary School For Girls – Freetown	821,109
Total	40,586,277

The Committee

The Committee recommends that the total sum (Le 40,586,277) must be paid to the CFR with immediate effect

Teachers On Study Leave without the Approval of MEST

Some teachers whose names were on the salary vouchers were on study leave without the approval of the Ministry of Education. The sum of Le251.2 million was paid to them during the period under review. This may affect the teaching scheme and deprive the school and pupils of the much needed service of the teachers.

Table 11.8 Teachers on Study Leave Without the Approval of the Ministry	
Name of School	Salary Paid to Teachers on Study Leave Le
Queen of the Rosary JSS-Bo	8,115,252
Sierra Leone Muslim Brotherhood School-Bo	10,124,136
United Methodist Church JSS-Bo	36,626,825
Nusrat Jahan Girls-Bo	48,790,716
Methodist High School- Bo	59,575,992
Saint Andrews JSS-Bo	28,363,548

Table 11.8 Teachers on Study Leave Without the Approval of the Ministry	
Name of School	Salary Paid to Teachers on Study Leave Le
Abdel Nasser JSS-Bo	49,317,780
College Junior Secondary School – Kenema	10,304,148
Total	251,218,397

The Committee

The Committee recommends that those teachers should regularise their status with the Ministry of Education with immediate effect

Staff Members/Teachers Not Physically Verified

Some staff members/teachers could not make themselves available for physical verification during the period of the audit exercise. The total salary that was paid to those staff members/teachers during the period amounted to Le75.6 million. There is the risk that staff members on the payroll are ‘ghost teachers’. This may lead to the loss of Government funds.

Table 11.9 Staff Members/Teachers not Physically Verified	
Name of School	Salary paid to Teachers not Physically verified Le
Ansarul Islamic Sec. School - Mile 91	25,045,860
Yoni Bana Senior Secondary School-Yoni Bana Town	22,493,844
Yoni Bana Junior Secondary School-Yoni Bana Town	12,189,696
St. Joseph Senior Secondary School-Makeni	15,867,384
Total	75,596,784

The Committee

The Committee recommends that the Ministry of Education should probe in to this matter immediately.

Names of Staff/Teachers on Salary Vouchers and not on Staff List

There were some staff members/teachers whose names appeared on the salary vouchers but could not be found on the school’s staff list for that period. The total salary that was paid to those staff members/teachers amounted to Le9.3 million.

Table 11.10 Names of Staff/Teachers on Salary Vouchers and Not on Staff List	
Name of School	Salary to staff whose names are on Salary Voucher but not on Staff List Le
Ansarul Islamic Secondary School - Mile 91	9,293,393
Total	9,293,393

The Committee

The Committee recommends that the school authorities should reconcile this matter immediately.

Salary paid to overage Staff

A review of the personnel files and records of staff revealed that salaries totalling Le26.5 million was paid to teachers who had attained the statutory retirement age of 60 years. This was in contravention of the NASSIT Act, and may lead to the loss of funds by Government.

Table 11.12 – Salaries Paid to Overage Staff	
Name of School	Salary to Over aged Staff Le
United Methodist Secondary School For Girls-Freetown	20,868,650
Government Model Secondary School-Freetown	5,601,554
Total	26,470,204

The Committee

The Committee recommends that the school authorities should explain reason why salaries were paid to over age staff within 30 days after the adoption of this report by Parliament

*******All recommendations must be acted upon by the responsible officers within 30 days after this report has been tabled and adopted by Parliament.**

APPRECIATION:

Mr. Speaker, Honourable Members, the Committee expresses appreciation to the Audit Service Sierra Leone staff who were represented at all times of the meetings and assisted in interpreting and explaining the queries raised where necessary and in verification of documents, the Anti-Corruption Commission who also diligently handled the assigned duties during the course of meetings.

Mr. Speaker, Honourable Members, I would also like to thank members of the Committee who have been sitting during the outreach programs including during weekends in order to reach this stage of completing Financial Year 2012 of the Audit General's Report on Ministries, Department and Agencies of Sierra Leone.

Hon. Chernor R.M. Bah

CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE



MOTION OF THE PUBLIC ACCOUNTS COMMITTEE

PROPOSER: *Hon. Chernor R.M. Bah*

SECONDER: HON. Komba Eric Koedoyoma

BE IT RESOLVED:

THAT THIS HONOURABLE HOUSE ADOPT THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF SIERRA LEONE (MINISTRIES, DEPARTMENT AND AGENCIES) FOR THE FINANCIAL YEAR 2012 AND THAT THE RECOMMENDATIONS CONTAINED THEREIN BE APPROVED FOR IMPLEMENTATION.

