

STATUTORY INSTRUMENT

Supplement to the Sierra Leone Gazette Extraordinary Vol. CLXV, No 83
dated 11th October, 2024

THE AUDIT SERVICE REGULATIONS 2024

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STATUTORY INSTRUMENT NO. 15 OF 2024

Published 11th October, 2024

THE AUDIT SERVICE ACT, 2014 (ACT NO. 4 OF 2014)

THE AUDIT SERVICE REGULATIONS 2024

Short title

IN EXERCISE of the powers conferred on him by section 37 of the Audit Service Act, 2014, (Act No. 4 of 2014) the Auditor-General hereby makes the following regulations -

PART I-PRELIMINARY

1. In these Regulations, unless the context otherwise requires Interpretation.

"Act" means the Audit Service Act, 2014;

"Advisory Committee" means an external independent body established by the Auditor-General with a mandate to validate findings of material irregularities;

"Audit fees" means charge determined by the Auditor-General for conducting an audit of a public money or a public sector body;

"Constitution" means the Constitution of Sierra Leone 1991;

"Court" means The High Court of Sierra Leone;

"Disallowance" means a denial or disapproval by the Auditor-General of an unlawful expenditure of public funds either in part or in whole;

"Disallowance and Surcharge Committee" means a committee comprising members of staff of the Audit Service appointed by the Auditor-General to verify findings under Section 12b of the Act;

"External Auditor" means any external auditor appointed in Part V of the Act;

"Executive Authority" means the Accountant-General's Department, the Human Resource Management Office and any affected public sector body referred to in disallowance and surcharge matter;

"Government" means the Government of the Republic of Sierra Leone;

"Public money" means as defined in the Act;

"Public Property" includes any real or personal property and any interest therein choses in action, stocks, shares and debentures, vehicles, machinery, equipment, furniture or other immovable or movable property belonging to the Government or provided for the use of any government establishment, Service or Department whether in Sierra Leone or elsewhere.

"Surcharge" means a charge levied by the Auditor-General as financial penalties on persons responsible for unlawful expenditures; or whose negligence or misconduct led to the loss of public money;

2. The objectives of these regulations are to provide a regulatory framework for the Audit Service Sierra Leone and to give effect to the provisions of the Act.

PART II - AUDIT SERVICE BOARD

3. (1) In the event of a vacancy in the position of Chairperson or any other member of the Board, the Board shall within 14 days communicate the vacancy to the President who shall appoint a chairperson or any other member of the Board in accordance with section 4 (1) of the Act.

Tenure of
Board
Members.

(2) In the event of the end of tenure of a member of the Board, the Board shall within three months of the impending end of the tenure of office communicate this to the President who shall appoint a Board member in accordance with section 4 of the Act.

4. (1) The President shall on the recommendation of the Board require a member other than the member representing the Public Service Commission and the Auditor General to vacate the Board on the following grounds -

Removal of
Members
from the
Board.

- (a) if the member has been absent from three consecutive meetings of the board without reasonable excuse;
- (b) if the person has been declared bankrupt or insolvent by an Order of the Court;
- (c) if the person is convicted of an offence involving fraud and dishonesty;
- (d) for proven misconduct which includes but is not limited to failure to disclose interest as stated in section 6 (5) of the Act;
- (e) if a medical report showing the inability of the member to perform functions and discharge the duties of the board because of infirmity of mind or body.

(2) The President shall suspend from office a Member against whom criminal proceedings are instituted in respect of fraud and dishonesty or for an offense in respect of which a sentence of imprisonment without the option of a fine may be imposed and whilst that member is so suspended he or she shall not carry out any duties that were required of as a member.

(3) The President shall restore the member if that member is found not guilty by the Court.

Committees
of the
Board.

5. The Board shall -

- (a) determine the terms of reference and scope of its committees.
- (b) establish a system to regularly monitor the performance of its committees established under section 10 of the Act.

Appointment
of members
of staff.

6. In the exercise of its power to appoint persons to hold office or act in offices as members of staff of the Audit Service, the Board shall follow the relevant laws, rules, policies and regulations governing employment of public officers.

Discipline
of Members
of Staff.

7. In the exercise of its power to suspend or remove members of staff of the Audit Service, the Board shall in implementing disciplinary measures or taking disciplinary actions against members of staff of the Audit Service be guided by the Terms and Conditions of Service of the Audit Service, and other relevant laws, rules, policies and regulations governing employment of public officers.

PART III - FUNCTIONS AND POWERS OF THE AUDIT SERVICE

Scope.

8. (1) The Auditor-General shall when undertaking an audit as provided under section 11 (1) of the Act examine all public accounts in order to ascertain whether -

- (a) public monies have been fully accounted for and the rules and procedures applicable are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue;
- (b) monies have been expended for the purposes for which they were appropriated and the expenditures conform to the authority for such expenditure;
- (c) the collection of revenue and the acquisition, receipt, issuance and use of assets and liabilities conforms with relevant laws, rules and policies;
- (d) internal controls and risk management systems and processes are effective and implemented;
- (e) that essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property;
- (f) programmes and activities have been undertaken with due regard to effectiveness in relation to the resources utilised and results achieved; and
- (g) whether the accounts present fairly, financial information in accordance with the applicable statutory provisions and approved accounting policies of the Government.

9. The Auditor-General shall -

Quality
Management.

- (a) ensure that all audits are carried out in accordance with international auditing standards and approved policies and procedures.

(b) The Auditor-General shall arrange periodic independent external quality reviews of the Audit Service in conformance with the guidelines of the International Organisation of Supreme Audit Institutions (INTOSAI).

Risk
Assessment
of Audited
Entities.

10. (1) The Auditor-General shall ensure that risks assessments are undertaken to identify entities, funds and areas of highest risk in order to ensure that high risk areas receive sufficient audit focus.

(2) Any risk assessment undertaken shall not absolve the Auditor-General from his duty to ensure that all constitutional entities, ministries, public entities and statutory funds and other organizations are subject to audit and that appropriate disclosures are made.

Record
of Audit
Assignments.

11. Every Head of Division, Branch or Unit of the Audit Service shall keep a record of all assignments undertaken by the Audit Service and the report issued in relation to it.

Strategic
Audit
Planning.

12. (1) The Auditor-General shall ensure that strategic planning framework is developed for his audits to ensure that sufficient and adequate coverage is given to all constitutional entities, ministries, public entities and statutory funds and organizations subject to audit.

(2) The Auditor-General has the sole discretion in developing the plans and is not subject to the influence or direction from anyone or anything except the requirements under the Act and constitution, in relation to -

- (a) whether or not a particular audit is to be conducted;
- (b) the way in which a particular audit is to be conducted; or

- (c) the priority to be given to any particular matter.

13. An annual audit planning process shall be undertaken to ensure that an effective and efficient audit plan is implemented annually, based on the Auditor-General's assessment of the risks in the management and operations of the entities and funds subject to audit. Annual
Audit
Planning.

14. The Auditor-General in exercising his discretion to carry out an audit upon request from the President or Parliament may take into account whether - Special
Requests.

- (a) the audit relates to the delivery or financial management of a significant government programme, compliance with legislation or government policies to enhance transparency, accountability and good governance, the financial management of an auditee or group of auditees or any matter considered by the Auditor-General to be in the public interest;
- (b) the audit relates to a matter which cannot be adequately addressed through an annual audit performed for the purpose of reporting;
- (c) any public entity other than the Audit Service that is better positioned to deal with the matter; or
- (d) the audit is likely to unduly constrain the Auditor-General in carrying out his functions as contemplated in the Constitution or to impair the independence of the Auditor-General.

15. (1) The Auditor-General shall after receiving information which may be relevant to an audit on request from the President or Auditor-General. Decision
of the
Parliament.

- (a) in writing acknowledge receipt thereof;
- (b) record details of the information received in a register established and maintained for the purposes of audit requested;

(2) If a decision is made to engage in an audit on request requested audit, the President or Parliament must be notified of the decision.

(3) In the event that the Auditor-General declines to conduct an audit upon request, the Auditor-General-

- (a) must in writing inform the President or Parliament of that decision;
- (b) reasons for the decision;
- (c) information on other available options in respect of making a request;
- (d) any other information the Auditor-General deems necessary.

Types
of Audits.

16. The range of external auditing activities that may be undertaken by the Auditor-General shall include but shall not be limited to the following

- (a) compliance audits;
- (b) financial audits;
- (c) performance or value for money audits;
- (d) specialised audits, including but not limited to-
 - (i) information systems audits;
 - (ii) forensic audits;
 - (iii) revenue audits;
 - (iv) procurement audits;

- (v) management audits;
- (vi) environmental audits;
- (e) other emerging audit concepts and methodologies recognized by the International Organization of Supreme Audit Institutions.

17. (1) In the performance of his duties under section 11 (1) of the Act, the Auditor-General and any person authorized by him shall have

Unrestricted
Access to
Documents,
Premises.

- (a) access to any document, book, written, printed and or electronic record, returns, or any other form of information held, produced Persons. or processed by the audited entity or which reflects the financial position or performance of the audited entity?
- (b) access at any reasonable time of the day to the premises or assets of or under the control of the audited entity? or
- (c) power to call for any relevant information from any staff member or representative of the audited entity.

(2) In exercising the authority under this regulation, the Auditor-General or any authorised person shall ensure that any information obtained is not used for any purpose other than that legally intended and the Auditor-General shall keep in safe custody all the documents and information so obtained.

(3) The Auditor- General or any authorised person may make copies of any documents so produced.

Non-
disclosure
of
Information.

18. (1) Any member of staff of the Audit Service or any authorised person shall not, without the consent in writing given by or on behalf of the Auditor-General, publish or disclose to an unauthorised person, otherwise than in the course of the duties of that person, the contents of a document, communication or information which relates to, or which has come to the knowledge of the person in the course of that person's duties under the Act.

(2) Any member of staff of the Audit Service or a person appointed by the Auditor General who is found to have published or disclosed to an unauthorised person, the contents of a document, communication or information which relates to, or which has come to the knowledge of the person in the course of that person's duties under the Act shall be subject to disciplinary measures in line with the Audit Service Terms and Conditions of Service and the Policy on the Recruitment of External Auditors, respectively.

Limitation
to Access
to External
Auditors.

19. The Auditor General shall not authorise any external auditor-(a) to have access to any books, records, returns, reports or other documents, or to entry into any premises, of any component of the audited entities listed in the schedule of this regulation.

(b) to have access to any books, records, returns, reports or other documents, or to enter upon any premises other than those mentioned in paragraph (a) if such access or entry is likely to -

(i) prejudice the security, defense or international relations of the State or the investigation or detection of offences;

(ii) involve the disclosure of any matters or deliberations of a secret or confidential nature of the cabinet or any sub-committee of the cabinet.

20. (1) Where any person authorised by the Auditor-General in carrying out an audit examination of a public sector body establishes a finding of an instance provided under section 12 (b) of the Act, he should compile a report containing evidence supporting such finding and submit to his immediate supervisor who shall inform the Auditor-General of such matters.

Disallowance
and
Surcharge.

(2) The Auditor General shall then refer such matters under regulation 20 (1) to the Disallowance and Surcharge Committee.

21. (1) The Disallowance and Surcharge Committee shall verify all claims of any irregularities within 30 days and categorise them as follows -

Disallowance
and Surcharge
Committee.

- (a) Claims liable for disallowance;
- (b) Claims liable for disallowance and surcharge;
- (c) Claims not liable for disallowance.

(2) The verification report shall be forwarded to the Auditor-General for his consideration.

22. The Auditor-General must when considering the issuance of a certificate of surcharge to any person who is alleged to have been liable for any irregularity under section 12 (b) of the Act -

Notice of
Intention to
Surcharge

- (a) give notice to that person and the head affected public sector body that he is considering doing so;
- (b) inform that person and the head of that affected public sector body of the reasons for considering the issuance of a certificate of surcharge;
- (c) indicate the amount in respect of which the certificate of surcharge is to be issued;

- (d) invite that person or the vote controller of that affected public sector body to submit written representations on the matter to the Auditor-General within 30 days from the date of that notice;
- (e) if applicable, inform individual members of that affected public sector body that each of them may be held personally liable for any loss, jointly and severally; and
- (f) provide any other information the Auditor-General may deem necessary.

Service of
Notice of
Intention to
Surcharge.

23. (1) The Notice referred to under Regulation 22 shall be issued directly to the person concerned.

(2) Where that person's last known address cannot be traced, the Auditor-General shall publish the said Notice in 3 (three) widely read newspapers for three (3) consecutive publications.

(3) Any Person, upon whom a notice of intention to surcharge has been issued, must within 30 days of the date on the notice, submit a written submission contemplated in regulation 22 (d), which may also include documents or information on the irregularity which had not previously been submitted to the Auditor General.

Written
Submissions.

24. (1) Where a person fails to submit written submissions or fails to do so within the stipulated period, the Auditor-General may proceed on the basis that that person or affected public sector body has no objection to the issuance of a certificate of surcharge.

(2) Upon receipt of written submissions in response to a Notice of surcharge, the Auditor-General shall refer the issue to the Disallowance and Surcharge Committee to assess the written submission against the verification report proffered by the Committee on the same issue.

(3) The Auditor-General must within 15 days inform that person in writing the outcome of the assessment of the submissions indicating whether or not the Auditor-General is still considering issuing a certificate of surcharge and the reasons for his decision.

(4) In the event that the Auditor-General after consideration of the written submissions is still considering issuing a certificate of surcharge, he must in writing issue an invitation to that Person(s) to make oral submission to an Advisory Committee established in terms of regulation 25.

(5) Where the person or the head of the affected public sector body that has been invited indicates that he intends to make oral submission as contemplated in section 11(d) of the Act, the Auditor-General must refer the matter to the Advisory Committee for that purpose.

25. (1) The Advisory Committee shall comprise of the Auditor General and - Advisory Committee.

- (a) a Legal Practitioner of not less than 10 years legal experience, who shall be the chairperson of the Advisory Committee;
- (b) an auditing practitioner with 10 or more years in public sector audit experience;
- (c) a procurement practitioner with 10 or more years' experience;
- (d) any other person or persons with relevant competence that the Auditor-General may deem necessary.

(2) The members of the Advisory Committee are appointed in accordance with the terms and conditions determined by the Auditor-General.

(3) Any person who agrees to his appointment to an Advisory Committee must before his appointment and prior to each hearing, declare any potential conflict of interest.

Oral
Hearings.

26. (1) The hearing on the oral submissions must be conducted in accordance with applicable laws and the rules of natural justice.

(2) The Auditor-General must timeously provide -

- (a) the members of the Advisory Committee with all relevant information pertaining to the matter; and
- (b) the person, the vote controller of the affected public sector body or the individual members of the affected public sector body, as the case may be, with any documents not yet provided to him, her or them which cannot reasonably be expected to be in his, her or their possession.

(3) No member of staff of the Audit Service or any other person may prior to the hearing on oral submissions brief or otherwise interact with the Advisory Committee on the merits of the matter to be heard by it.

(4) The members of the Advisory Committee, subject to directions by the chairperson of that Committee ask any question or require explanations in respect of any issue relevant to the matter before the Advisory Committee.

(5) Subject to the direction of the chairperson of the Advisory Committee, that concerned Person, or those members of the affected public sector body may respond under oath and or submit written documents which may not previously have been included in the written submissions.

(6) Members of staff of the Audit Service may in the sole discretion of the chairperson of the Advisory Committee attend the hearing on the oral submission, but such members of staff may not speak or submit any documents to the Advisory Committee, unless the chairperson in his sole discretion permits otherwise.

(7) The Auditor-General may provide devices for an audio recording of the hearing, and the Auditor General must upon written request by that person, or those members of the affected public sector body in question forthwith and at no cost provide a copy of the recording of the hearing(s).

27. (1) The Advisory Committee shall, when determining the oral submissions contemplated in regulation 26, take into account - Considerations
by the
Advisory
Committee.

- (a) all information provided to it by the Auditor-General prior to the hearing of the oral submissions;
- (b) the oral submissions made by the person, the head of the public sector body or the officers of the affected public sector body as the case may be.
- (c) any document submitted by the person, the head of the public sector body or the officers of the affected public sector body;
- (d) any norms and standards determined by the Auditor-General for this purpose, if any;
- (e) any applicable law; and
- (f) any other relevant factors.

(2) The Advisory Committee must within a period determined in writing by the Auditor-General submit its findings and recommendations to the Auditor General on the oral submissions made by that person, that vote controller of public sector body or those members of that affected public sector body for consideration by the Auditor General.

Decision
to Surcharge.

28. Upon receipt of the findings and recommendations of the Advisory Committee, the Auditor-General shall -

- (a) consider the findings and recommendations of the Advisory Committee contemplated in regulation 25; and
- (b) in terms of section 12(c) of the Act but subject to this regulation, take a decision in respect of issuing a certificate of surcharge to the person, the head of the affected public sector body or the individual members of the public sector body, as the case may be.

Issuance of
a Certificate
of Surcharge.

29. The Auditor-General shall not later than 14 days upon receiving the findings and recommendations of the Advisory Committee, in writing inform that person or those members of that public sector body his or her decision on the issuing of the certificate of surcharge as required of by section 11 (e) of the Act.

Service of
Surcharge
Certificate.

30. (1) If the Auditor-General decides to issue the certificate of surcharge, he must -

- (a) in accordance with section 12(e) of the Act, cause the certificate of surcharge to be served on that person or those members of that public sector body; and
- (b) in accordance with section 12(e) of the Act, cause a copy of the certificate of surcharge to be served on the vote controller of the affected public sector body, together with -
 - (i) reasons for his decision; and
 - (ii) the date or intervals when that Executive Authority shall in writing inform the Auditor- General of progress in complying with or executing the certificate of Surcharge.

(2) The certificate of surcharge -

(a) must be in the form provided for in the Schedule;

(b) must be signed by the Auditor-General.

31. The person or members of the public sector body specified in the certificate of surcharge must pay the amount stipulated in that certificate of surcharge to the bank account of the affected public sector body, as the case may be, within 30 days as provided by section 11(c) of the Act.

Collection of Surcharge Amount Specified in Certificate of Surcharge.

32. (1) Where the person surcharged is in receipt of any remuneration from the Government or in any institution, such remuneration shall be attached to the extent of the sum lawfully due.

Payment of Surcharge From Remuneration.

(2) In undertaking regulation 32(1), the Auditor-General shall request for the provision of the remuneration details of a surcharged public officer from the Accountant General's Department, the Human Resource Management Office and the affected public body, as the case may be.

(3) The information provided under sub-regulation 32(2) shall be considered as the basis for attaching the surcharged Amount to the extent of the sum lawfully due.

33. The affected public sector body, the Executive Authority contemplated under section 12(c) of the Act, must within a period stipulated by the Auditor-General and thereafter at regular intervals as stipulated by the Auditor-General in the certificate of surcharge in writing, submit progress reports to the Auditor General on the recovery of the amount specified in the certificate of surcharge.

Progress Reports of Surcharge Payments.

34. Where a person that has been surcharged by the Auditor-General fails to comply with regulation 33 or if inadequate progress is recorded in the recovery, the Auditor-General shall in writing inform that person of his intention to institute a civil action for debt recovery in a court of competent jurisdiction.

Recovery of Sums Due in Court.

Surcharge
Appeals.

35. (1). Any person aggrieved by a disallowance or surcharge made by the Auditor- General may appeal to the High Court as provided by section 93 (7) of the Public Financial Management Act, 2016.

(2). Any person intending to appeal the Auditor- General's decision of surcharge, shall in writing inform the Auditor-General of his intention to appeal not later than 30 days upon receipt of the certificate of surcharge.

Revocation
of a
Surcharge
Decision.

36. Subject to section 93 (10) of the Public Financial Management Act, 2016, the Auditor General may revoke a surcharge made under the Act where it is established that the surcharged certificate was issued under circumstances which includes erroneous standards or the flouting of Natural justice principles.

PART IV-AUDITOR GENERAL AND OTHER STAFF OF THE AUDIT SERVICE

Auditor-
General.

37. The Auditor-General is the head of the Audit Service and, as such, has overall control of and accountable for managing the Audit Service.

Decentralization
of Audit
Service.

38. In the exercise of his function under section 13 of the Act, the Auditor General may approve a programme of decentralization of operations of the Audit Service in any Region in the Republic of Sierra Leone.

Documentation
of
Organizational
Structure.

39. (1) Subject to section 13 of the Act, the Auditor-General may establish Directorates, Departments, Divisions and Units within the Audit Service in an organizational structure that such structure shall be communicated to the Board and all members of the Audit Service.

(2) The Documented organizational structure shall comprise a diagrammatic representation of the structure and a written description of the scope of operations and activities of the Departments as well as their reporting relationships.

40. The Auditor-General may review the structure if he of ^{Review of} considers that in view of prevailing circumstances a revised ^{Organizational} organizational structure will enhance achievement of the objectives ^{Structure.} of the Audit Service.

41. (1) The Auditor-General may establish such Directorates, ^{Divisions of} Departments, Divisions and Units in the Audit Service as he may ^{Administration.} deem necessary or expedient for the effective management of the Audit Service.

(2) The Directorates, Departments, Divisions and Units so established shall be headed by Deputy Auditor-Generals who shall report functionally and administratively to the Auditor-General.

(3) Members of staff of the Audit Service who are appointed as heads of provincial offices shall be functionally and administratively responsible to the relevant Deputy Auditor-General in the performance of their duties.

42. (1) Subject to section 16 of the Act, any person who ^{Audits to be} assists the Auditor-General in exercising his powers and functions ^{Conducted} under the Act, shall carry out any such investigation, inspection, ^{under the} examination, audit or any other assignment subject to such directives ^{Directive} of the Auditor-General as the Auditor-General may deem necessary.

(2) The Auditor-General shall on such conditions as he may determine, cooperate with persons, institutions and associations in the Republic of Sierra Leone and other countries, and take such steps as he may deem necessary.

43. (1) Where the Auditor-General finds or suspects an ^{Referral} indication of a matter that requires the attention of a relevant authority ^{Powers.} or institution in the course of an audit or investigation, he may submit such information or communicate such suspicion to the appropriate institution or authority for further investigation and action in accordance with the legislation applicable to that Authority.

(2) The Authority or Institution contemplated in sub-regulation (1) must, periodically in writing, inform the Auditor-General of progress in its investigation and of action taken concerning the information submitted or the suspicion communicated.

(3) If the Authority or Institution takes no further action in respect thereof, the authority or institution must immediately, after taking such a decision, provide reasons to the Auditor-General in writing for not taking such further action.

Oversight
on pro-
fessionalism.

44. The Auditor General shall ensure that in the discharge of their duties, the members of staff of the Audit Service and other agents working on behalf of the Audit Service shall -

- (a) possess the professional knowledge and skills commensurate with the audit work they are engaged in and to not portray themselves as having an expertise that they do not possess;
- (b) Adopt a programme designed to ensure high quality audits.
- (c) Attain and maintain professional knowledge and skills.
- (d) Display professional competence required and exhibit a high standard of general education in a recognized supervisory body.
- (e) Possess professional competence which involves continued awareness of developments in the auditing profession including relevant national and international pronouncements on accounting, auditing and on relevant statutory requirements and regulations or rules issued by competent bodies governing the profession.

45. (1) The Auditor General shall ensure that members of the Audit Service avoid conflict of interest in the execution of their functions. Conflict of Interest.

(2) The members of the Audit Service shall report to the Auditor-General on any commitments or relationship that may interfere or jeopardize their integrity as independent auditors.

(3) The Auditor-General shall maintain a conflict of Interest register.

(4) The instances of conflict to be avoided under sub-regulation (1) shall include but shall not be limited to -

- (a) Relationship or interest that adversely influence, impair or threaten professional integrity;
- (b) An act that is contrary to technical or professional audit standards.

46. Where a vacancy occurs or it is likely that a vacancy may occur in the Audit Service, the Auditor-General shall notify the Board of the existence or likely existence of a vacancy specifying the necessary requirements for such vacancy. Notification of Vacancy.

47. Subject to the approval for the Board, every promotion shall be made by considering - Conditions for Promotion.

- (a) the possession of the relevant qualification;
- (b) performance and efficiency in the execution of duties by an employee;
- (c) career development and succession plan;
- (d) Seniority amongst the employees; and
- (e) Subject to the provisions in the Employee Handbook and Conditions of Service.

Promotions
within the
Service.

48. (1) Where there is a vacancy at the Audit Service, the first option to fill in that position internally, and where the appropriate staff is not available internally, then it could be sourced externally.

(2) The filling of a vacancy for the position of Deputy Auditor-Generals shall be open.

Terms and
Conditions
of Service.

49. (1) As provided by section 20 of the Act, the Board shall, on the advice of the Auditor-General may from time to time revise the remuneration and other terms and conditions of service of other staff of the Audit Service.

(2) Members of the Audit Service shall comply with the provisions of the relevant terms and conditions of service and breach of which shall result into disciplinary action.

PART V - APPOINTMENT OF EXTERNAL AUDITORS

Appointment
of External
Auditors.

50. The Auditor-General may engage external auditors or audit firms or other experts to carry out audit or other functions on his behalf:

Provided that where the contracted or authorized function is auditing, the external auditors or audit firms or other experts whom the function is contracted or authorized shall be qualified to practice as auditors under the relevant laws of Sierra Leone.

Conditions
for
Outsourcing
Audits.

51. In determining whether an audit may be performed by the Audit Service or be contracted out to external Auditors, the Auditor-General shall be guided by one or more of the following factors -

- (a) Availability of manpower within the Audit Service;
- (b) Availability of skills and expertise within the Audit Service;
- (c) The magnitude and complexity of the audit work;

- (d) Specific agreement which either the auditor or audit client has with development partners;
- (e) Nature and sensitivity of the audit assignment or the authority or body to be audited;
- (f) The private sector participation policy; or
- (g) Any other relevant factor as the Auditor-General may deem fit.

52. In exercising the powers contained under section 21 of the Act, Auditor-General shall periodically call for the expression of interest from external audit firms interested in conducting such audits for the Audit Service on the platform of the Institute of Chartered Accountants of Sierra Leone; Considerations
for Appointment of
External Auditors.

- (b) upon receipt of the expressions of interest, the Audit Service shall send out the applicant's profile request from which must be completed by the external audit firms and returned to the Auditor-General within a stipulated time frame;
- (c) upon receipt of the completed firm profile, the Audit Service shall undertake quality assurance processes to pre-qualify the applicant audit firms against established criteria as provided for in International Standards of Supreme Audit Institutions (ISSAI);
- (d) the Committee shall submit a quality assurance report to the Auditor-General that states whether an audit firm is qualified to be listed on the Audit Service database of external audit firms together with their grading;

- (e) the outcome of quality assurance processes by a Committee appointed by the Auditor-General shall be communicated to applicant audit firms.

Database of
External
Audit Firms.

53. (1) The Audit Service shall maintain a database of qualified external audit firms to be appointed by the Auditor-General to carry out audits on behalf of the Auditor-General.

(2) The database shall be updated regularly.

(3) The Audit Service shall classify the external audit firms in the database by grade and size, and category of public institutions for which the external audit firm will be eligible to be assigned to audit.

(4) The database shall show the following profile of the external audit firms:

- (a) curriculum vitae of key personnel;
- (b) location and address;
- (c) international affiliation, if any;
- (d) succession partners;
- (e) total operational staff;
- (f) number of years of experience of the institution; and
- (g) list of organizations currently under audit.

Confirmation
of Acceptance to
conduct
Audit.

54. Upon receipt of the Auditor-General's acceptance, external auditors shall confirm the acceptance in writing to the Auditor-General.

Terms
of
Reference.

55. The external audit firms appointed by the Auditor-General to carry out work on the Auditor-General's behalf shall be issued with terms of reference and guidelines for the conduct and reporting on audits assigned to them by the Auditor-General.

56. The Auditor-General shall establish procedures to ensure that external audit firms appointed by the Auditor-General to carry out audits on his behalf comply with the terms of reference and guidelines issued for the audit.

Compliance
with Terms
of Reference.

57. An individual or an audit firm engaged to undertake audits on behalf of the Auditor-General shall have full and unfettered access to records, documents, accounts and persons employed by the respective audit client.

Authority
of
Contracted
Audit Firms.

58. An individual or external audit firm engaged to undertake audits on behalf of the Auditor-General shall observe confidentiality obligations imposed by the Audit Service, and the Accountancy and Auditing profession.

Confidentiality.

59. Subject to section 23 of the Act, the fees chargeable to the External-Auditor will be professional fees which fairly reflect the value of the professional services performed for the audit client as stipulated in the engagement letter to be signed by the audit client.

Audit
Fees.

60. In charging the fees the Auditor-General shall have regards to-

Determination
of Audit Fees.

- (a) the outcome of risk assessment of the public sector body;
- (b) the complexity of the audit assignment;
- (c) the need to recruit an expert for the audit assignment;
- (d) the time spent by each person engaged in performing the professional services;
- (e) the level of staff assigned to the assignment;
- (f) the urgency with which the audit client requires the results.

(g) the duration of time spent to perform the audit, including audits of subsidiaries or confirmations at sub-offices and or out of town branches, as this increases the quantum of work performed;

(h) Any other relevant matters as the Auditor-General may deem fit.

Payment
of Audit
Fees.

61. (1) The audit client shall pay all the audit fees in respect of the audit services directly to the external auditor.

(2) The engagement letter signed by the external auditor and the audit client before the commencement of an audit, shall indicate the audit fees and the payment terms as agreed.

(3) The external auditor shall issue an invoice for every payment due.

(4) Where the audit client fails to pay audit fees on demand, the Auditor-General reserves the right to withhold the audit report until the fees are paid either in full or in part as the Auditor-General may determine.

(5) For the avoidance of doubt, it is hereby stipulated that the powers of the Auditor-General to charge fees to any public sector body for the services rendered shall be exercised in such a way that it does not compromise the role, independence and integrity of the Auditor-General.

Restrictions
on External
General.

62. (1) Subject to section 24 of the Act, an external auditor shall not provide consulting services for the entity or body beyond the scope and objectives of its terms of reference and guidance provided by the Auditor- Auditors.

(2) A contracted individual or external audit firm shall not provide consulting services for the entity or body they are engaged to audit for a period of two years following the end of such audit.

(3) In order to enhance the audit quality and to uphold the independence of the external auditors, the Auditor -General shall rotate firms and the entity or body they are engaged to audit at least every three years.

63. The Auditor General shall not authorise any external auditor-

Limitation to
Access by
External
Auditors.

- (a) to have access to any books, records, returns, reports or other documents, or to enter into any premises, or any component of the audited entities listed in the schedule of this regulations (schedule of excluded entities to be formulated).
- (b) to have access to any books, records, returns, reports or other documents, or to enter upon any premises other than those mentioned in paragraph (a) if such access or entry is likely to -
 - (i) prejudice the security, defence or international relations of the State or the investigation or detection of offences;
 - (ii) involve the disclosure of any matters or deliberations of a secret or confidential nature of the Cabinet or any sub-committee of the Cabinet.

PART VI-FINANCE AND ACCOUNTABILITY

64. (1) The Audit Service shall prepare and submit to Parliament for approval an annual budget for an ensuing year.

Submission
of Annual
Budget.

(2) Parliament shall summon the Auditor-General or his representative, the Minister of Finance or his representative to an engagement meeting to ensure compliance with section 4 of the amendment Act to discuss and deliberate upon its annual budget.

(3) The members of the meeting referred to in sub-regulation (2) shall be accompanied by technical staff who are well conversant with the matters to be discussed in the meeting.

(4) Where the budget estimates have been discussed and deliberated in the meeting referred to in sub-regulation (2), the Audit Service shall consolidate the budget estimates and submit the same to the Parliament.

(5) Where the budget estimates have been agreed upon, Parliament shall approve the budget estimates of the Audit Service and submit it to the Minister of Finance to be included in the national budget for submission to Parliament for approval without any alteration.

(6) Both the Audit Service and Parliament shall ensure that sub-regulations (1), (2), (3) and (4) are completed in time for the Minister of Finance to submit the Appropriation Bill to Parliament.

Quarterly
Disbursements
to Audit
Service.

65. The Minister of finance shall ensure that the release of recurrent budgetary allocations to the Audit Service be effected within the first month of every Quarter.

Supplementary
Budget.

66. (1) If it becomes necessary during the course of a financial year that the Audit Service will require supplementary appropriations to enable it to perform its mandate either because its annual appropriation has become inadequate or that an expenditure has arisen which was not in the original appropriation, the Auditor-General shall make a representation to Parliament for supplementary funds.

(2) It shall be the responsibility of the Minister of Finance when he receives a request for supplementary funding from the Audit Service through Parliament to explore options for supplementing the appropriation to the Audit Service.

67. The Auditor General shall ensure that the Deputy Auditor General in charge of Finance and Corporate Services prepare and submit to Parliament the Financial Statements of the Audit Service not later than three months after the end of the financial year.

Preparation
and Sub-
mission
of Financial
Statements.

68. The Auditor General shall ensure that the Deputy Auditor General in charge of Finance and Corporate Services prepares an Annual Report of the Audit Service not later than three months after Performance the end of the financial year in order to meet the timeline under section 31 of the Act;

Preparation
of an
Annual
Performance
Report.

69. Upon submission of the audited financial statements and publication of its Annual Performance Report, the Auditor General in compliance with section 31 of the Act, shall submit both documents to Parliament not later than six months after the end of each financial year.

Submission
of Annual
Report
and
Financial
Statements.

70. At the start of the financial year, the Auditor-General shall notify Parliament in writing for the appointment of an independent Auditor for the Audit Service in accordance with the procedure provided by section 5 of the Audit Service Amendment Act.

Audit of the
Audit
Service.

71. For the purpose of avoiding conflict of interest-

Conflict
of Interest.

- (a) The Auditor appointed by Parliament shall not be appointed by the Auditor General to conduct any audit on his behalf for a period of at least three years from the date of his last audit of the Audit Service.
- (b) The Auditor appointed by Parliament shall not have been appointed by the Audit Service to conduct any audit for a period of three years preceding the date of the last Audit for and on behalf of the Audit Service.
- (c) The Auditor appointed by Parliament to audit the Audit Service shall disclose any conflict of interest to Parliament.

Internal
Internal
Audit
Division.

72. There shall continue to exist in the Audit Service an Audit as provided by section 34 of the Act and other financial Division regulations responsible for the internal audit function of the Audit Service.

Conflict of
Interest.

73. (1) The Internal Audit Division shall have no direct responsibility or authority over any of the activities subject to audit.

(2) Staff of the Division shall not engage in any audit activity that would constitute an audit of work that they were previously responsible for or could reasonably be construed to compromise their independence and objectivity.

Functions
of the
Internal
Auditor.

74. The functions of the Internal Audit Division shall be to improve the Audit Service Internal Controls, Corporate Governance, and Risk Management as prescribed by competent authorities governing internal audits at both national and international bodies.

Internal
Audit
Committee.

75. The Board Secretary of the Audit Service shall maintain an original copy of the Internal Audit Committee Charter which will detail out the purpose, responsibilities, membership and Terms of Reference of the Internal Audit Committee.

Reporting
Obligation.

76. The Internal Auditor shall report functionally to the Internal Audit Committee and administratively to the Auditor-General.

Schedule 01

Entities not subject to be audited by External Auditors shall include:

*Office of National Security,
The Sierra Leone Police,
The Republic of Sierra Leone Armed Forces RSLAF,
Central Intelligence and Security Unit,
Office of the President,
Vice President's Office,
Financial Intelligence Unit,
Anti-corruption Commission,
Sierra Leone Correctional Services
Parliament of Sierra Leone
Immigration Department*

Schedule 02

Specimen of Notice of Intention to surcharge to Disallow and or Surcharge

(INSERT LETTER HEAD OF THE AUDIT SERVICE)

REF: ASSL/XXX/XXX

ADDRESS of ASSL

DATE

The Ministry of XXX

Attn: 1. John Doe

Vote Controller (insert period of Service)

2. Johnny Doe

District Finance Officer (1/1/2020- 31/12/20)

3. Jo Doe

NOTICE OF INTENTION TO DISALLOW AND OR SURCHARGE

1. In the exercise of the powers conferred on the Auditor-General by Section 119 of the 1991 Constitution and Section 12 of Audit Service Act 2014, the Auditor-General conducted an audit on the accounts and other related records of the (name of affected entity or project fund) for the period 1st January 2020 to 31st January 2020.
2. During the audit, it emerged that on the authorization of, you caused payment to be made to in the sum of via payment vouchers no.....dated for the(insert purpose) to the Ministry.
3. That during the audit, you failed to provide evidence of distribution and usage of the items for verification in clear breach of section of the PFM Act, 2016.
4. The response from the Management on the above infraction indicated the distribution list has retrieved from the procurement officer and attached to the appropriate stores receipt and issue vouchers and they are available for our inspection and verification.
5. That our inspection of the distribution list presented by you for verification shows that same was You also failed to produce the said tricycles for inspection by the audit team.

6. The Audit Service, pursuant to Regulation 25 of the Audit Service Regulations, wishes to serve you notice, and notice is hereby served for you to provide a written submission explaining why you should not be made to refund the said amount and be surcharged accordingly, jointly or severally.
7. Your response should reach the Audit Service not later than 14 days after receipt of this notice.
8. Take Notice further that Your failure to respond to this notice within the time specified above, the Auditor-General may exercise his powers of disallowance and surcharge against you.

Be advised accordingly.

Mr / Mrs. XXX

Deputy Auditor-General (insert the relevant audit division)

For: The Auditor-General

Cc: The Auditor-General

Schedule 03

Specimen of Notice of Intention to surcharge to Disallowance and or Surcharge

(INSERT LETTER HEAD OF THE AUDIT SERVICE)

CERTIFICATE NO: 2020/SA/01

DATE

NOTICE OF SPECIFICATION AND CERTIFICATION OF DISALLOWANCE AND OR SURCHARGE

To: 1. John Doe
Vote Controller (insert period of Service)

2. The Head affected Institution Address
3. The Attorney-General and Minister of Justice Address
4. The Accountant-General Address

PLEASE TAKE NOTICE THAT:

1. In the exercise of the powers conferred on the Auditor-General by Section 119 of the 1991 Constitution and Section 12 of Audit Service Act 2014, the Auditor-General conducted an audit on the accounts and other related records of the (name of affected entity, project or activity fund) for the period 1st January 2020 to 31st January 2020.

2. It emerged that you, JOHN DOE, an accounting officer of the XXX (insert name of the institution):

a. Did not lodge revenue collected from 2014- 2019 amounting to as required into account numbers and at the Sierra Leone Commercial Bank.

b. Falsified Sierra Leone Commercial bank stamp and pay-in slips purporting to lodged the amount of Into account numbers for the period January 2024 to December 2019.

3. That by this conduct, you have caused a loss of to the state.

4. That after the audit, a Notice of intention to disallow/ Surcharge dated April 2021, was served on you on the April 2021, receipt of which you acknowledged to explain why you should not be made to refund the amount and be surcharged accordingly. You have since failed to respond to the said Notice of intention to Disallow/ surcharge within the specified period.

5. The Auditor- General is satisfied that this is a proper case in which to exercise his powers of Disallowance and Surcharge because of the infractions stated above.

6. NOW THEREFORE in accordance with section 12(c) of the Audit Service Act 2014, the Auditor-General HEREBY SPECIFIES AND CERTIFIES the amount of to be refunded by you and subsequently surcharge you with an amount of.....

7. You are to refund a total amount of (PRINCIPAL PLUS INTEREST OR PENALTY) and pay same into the account of the affected institution within a period of Thirty (30) days from the date of service of this Certificate and to produce proof of payment on a Treasury Counter foil Receipt (TCR), to the Auditor- General and the head of the affected public body institution.

PLEASE TAKE FURTHER NOTICE THAT:

I. You may appeal against this Notice of Specification and Certificate of Disallowance and Surcharge, to the High Court if you are aggrieved, within Thirty (30) days from the date of service of this Certificate on you.

II. If you fail to refund the amount specified and surcharged or file an appeal to the High Court within the time specified, civil proceedings shall be commenced to recover the amount from you.

III. In any such civil proceedings, this certificate shall be relied upon as prima facie evidence of the facts stated herein in accordance with Section 12 (e) of the Audit Service Act, 2014.

DATED AT THE AUDIT SERVICE SIERRA LEONE OFFICE (insert address) THIS
 DAY OF, 2020.

.....
 XXXXXXXXX
 AUDITOR-GENERAL

Specimen 04
 Specimen of Affidavit of Service

(INSERT LETTER HEAD OF THE AUDIT SERVICE)

AFFIDAVIT OF SERVICE

1. I, certify that I have been served with a Notice of Intention to Disallow and or Surcharge/ Notice of Specification and Certification of Disallowance and Surcharge.
2. That the Service was done on the day of 2020 in the presence of:

Wherefore, I endorse this affidavit of Service on the day of
2020.

MADE this day of , 2024.

MR. ABDULAZIZ
Acting Auditor-General

John Doe, Accounting Office
 Address of Institution/ Residence

Freetown,
 Sierra Leone.