



AUDIT SERVICE SIERRA LEONE

**AUDITOR GENERAL'S REPORT
ON THE ACCOUNTS OF SIERRA LEONE
FOR THE YEAR ENDED 31ST DECEMBER 2009**

ISSUED DECEMBER 2010

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FOREWORD

It gives me a unique pleasure to present my Report, being the last in my career in the Audit World, on the Accounts of Sierra Leone for the year ended 31st December 2009.

In spite of a number of challenges experienced during the year, I have endeavoured to keep within the timeframe required for the submission of my report to Parliament, as stipulated in the Government Accountability Act. 2005.

Unfortunately we are still housed at the 2nd Floor of Lotto Building and have also acquired extra space at the 3rd Floor, owing to an increase in our staff and expansion of our services, which include Performance Audit.

The construction of the Headquarters at Tower Hill has already commenced but progress has been seriously hampered by lack of funds. The Government's contribution has been trickling in and the Department For International Development (DFID), our main sponsor, is yet to deliver on its promises owing to administrative procedures. As at the time of writing this report, we have not been opportuned to receive any offer from other donors towards the erection of our regional office buildings. We are earnestly appealing to all donors to come to our aid to ease our accommodation problems.

Parliament is doing a lot to support the Service and has provided some office accommodation for the team, assigned to the Public Accounts Committee. The Service continued to enjoy the assistance of the African Development Bank (ADB) Project on Capacity Building and Institutional Support in 2009 but this has ended in June 2010. We are yet to receive notification on whether we will be eligible for a further grant from the ADB. The current DFID project had also come to a halt in May 2010 and administrative procedures have not yet been finalised for the commencement of the next phase.

During the year under review several staff attended overseas courses sponsored by the AFROSAI-E, ADB, DFID, as well as a host of local and In-House training courses.

In 2009, fourteen people joined the Organization, four people got married and one staff retired from the Organisation.

I cannot adequately thank the Almighty God for the wonderful support he has given me in the performance of my task to the nation during my tenure of office as Auditor General. I wish to thank staff members for their loyalty and support. My gratitude also goes to past and current members of the Audit Service Board for their unflinching interest in the affairs of the Audit

Service.

Finally, I wish to record my profound gratitude to DFID, AFROSAI-E, RTC for their contribution towards Capacity Building in the year 2009 and other agencies like the Commonwealth Secretariat and West African Institute For Financial and Economic Management (WAIFEM) which also contributed in a meaningful way towards the development of staff during my tenure of office as Auditor General.

Anna Caesar (Mrs.)
AUDITOR GENERAL

AUDITOR GENERAL'S CERTIFICATE

QUALIFIED OPINION

I have audited the attached Financial Statements and Cash Flow Statement for the year ended 31st December 2009. The preparation of these Financial Statements is the responsibility of the Accountant - General and his Management. My responsibility is to express an opinion on them based on our audit.

I conducted my audit in accordance with International Organisation of Supreme Audit Institutions (INTOSAI) Standards. These Standards require that I plan and perform the audit to obtain reasonable assurance on whether the Financial Statements are free of material misstatement. An audit includes obtaining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. I believe the audit conducted provides a reasonable basis for my opinion.

In my opinion, except for the effects of matters highlighted below, the Financial Statements referred to above present fairly, in all materials respects, the financial position of the Accounts of the Government of Sierra Leone as at 31st December 2009 and its financial performance for the year then ended.

Balances held in several Treasury Transit Accounts could not be ascertained

Commercial Bank balances in the Financial Statements could not be verified as confirmations were not received from the various Commercial Banks.

Other Public Funds, including Donor Funds, as well as Retained Internally generated Funds were not included in the Financial Statements.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the Public Accounts:

Regular revenue reconciliations were not carried out between the Accountant General's Department and the National Revenue Authority.

Adequate supporting documents were not always available for payments effected in respect of Other Charges.

Some inconsistency was observed between records maintained by the Accountant General's Department and those maintained by the Public Debt Unit.

Some Payment Vouchers were not produced.

Revenue Arrears, relating to Income Tax and other Income Generating MDAs, were not

disclosed.

I am grateful for the assistance rendered by the staff of the Accountant General's Department, during the audit.

Anna Caesar (Mrs.)
AUDITOR GENERAL

DATE: DECEMBER 2010

I.0 INTRODUCTION

1.1 Audit of Public Accounts

I am required by Section **119(2) of the 1991 Constitution to audit the Public Accounts of Sierra Leone and all public offices, including the Courts, the accounts of the central and local government administrations, of the Universities and public institutions of like nature, any statutory corporation, company or other body or organization established by an Act of Parliament or statutory instrument and submit my report thereon to Parliament.**

The Government Budgeting and Accountability Act 2005 which replaces the Public Budgeting and Accounting Act 1992, spell out clearly the responsibilities of the Auditor General: Section 63 Subsection 1(a-e) and 2 state as follows:

In his examination of the annual accounts, the Auditor General shall ascertain whether in his opinion:-

- a. the accounts have been properly kept
- b. all public moneys 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.
- c. moneys have been expended for the purpose for which they were appropriated and the expenditures have been made as authorized and that departments or budgetary agencies have adhered to the law relating to procurement;
- d. essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property, and
- e. financial business has been conducted with due regard to economy in relation to the results achieved.
- f. The Auditor- General shall specify the appropriate vote controller, the amount due from any person on whom he has made a surcharge and the reasons for the surcharge and shall report the circumstances of the case to the Minister.

1.2 Objectives of the Audit

The objectives of the audit are:

to express an opinion as to whether the Financial Statements give a true and fair view of

the state of affairs of the Government of Sierra Leone and that they have been prepared in accordance with acceptable accounting framework and comply with applicable regulations.

1.3 Audit Scope and Approach

The entire report covers audits undertaken for periods up to 31st December 2009. The audit was conducted in accordance with INTOSAI Auditing Standards which include assessing or examining on a test basis, evidence supporting amounts in the Financial Statements as well as assessing presentations and relevant disclosures. The methodology used was to examine amounts recorded in the Accounts, notes and schedules. Additionally, separate schedules provided by the Accountant General were compared with the figures indicated in the Financial Statements.

1.4 Submission of Accounts

The Annual Statement of Accounts for the Financial Year ended 31st December 2009 were submitted by the Accountant General for the purpose of auditing, as required by Section 57(1) and (2) of the Government Budgeting and Accountability Act 2005, within the statutory period provided in the Act. The Accountant General and his staff have to be congratulated on this achievement. The early submission of the Annual Accounts has, in turn, enabled me to complete the audit in time and submit my statutory report to Parliament within the timeframe prescribed by the 1991 Constitution and the GBAA2005.

1.5 Submission of the Report

In accordance with Section 119(4) of the 1991 Constitution and Section 66(1) of the GBAA 2005, I am required to submit my report on the audit of the accounts of Sierra Leone to Parliament **within twelve months of the end of the immediately preceding financial year. For the period under review, I am happy to report that I have been able to meet this requirement.**

1.6 Public Accounts Committee

The Public Accounts Committee (PAC) is charged with examining the accounts of bodies that have been voted funds by Parliament. In practice, this means holding public sessions to take examination of the reports produced by the Auditor General each year. The PAC takes evidence from the relevant Vote Controllers, Accounting Officers and other senior personnel of the various Ministries, Departments and Agencies as they have the responsibility for the management of public funds in their various establishments.

The recommendations of the Public Accounts Committee on issues dealt with in the Auditor General's Report for the years up to 2006 have still not been fully implemented. Much has not been achieved with matters referred by the Auditor General to either the Accountant General or the Attorney General.

The PAC is currently deliberating on the Auditor General's Reports on the Accounts of Sierra Leone 2008. The Committee's findings, comments and recommendations on the 2007 Report had just been published.

2.0 THE PUBLIC ACCOUNTS OF SIERRA LEONE 2009

2.1 MISCLASSIFICATION OF RECEIPTS AND EXPENDITURE

Miscellaneous Receipts from Public Enterprises and various Expenditure Heads were not classified and coded in accordance with the chart of accounts.

2.2 INTERNAL AUDIT

The Internal Audit Unit only conducted limited audits and most of their activities undertaken were not in line with the activities proposed.

2.3 CONTROL OVER COLLECTION, BANKING, RECORDING AND REPORTING OF FINANCIAL TRANSACTIONS

Revenue under-lodgement by the Customs & Excise Department into the Consolidated Revenue Fund amounted to Le954 million and revenue generated by MDAs were overstated and understated by Le81.5 billion and Le3.3 billion respectively.

2.4 CASH AND BANK BALANCES

Bank balances confirmed by the Central Bank differed from those recognised in the Public Accounts by Le50 billion.

2.5 DONOR DISBURSEMENT AND OTHER PUBLIC FUNDS

Donor Disbursements and Other Public Funds for the period under review were not captured.

2.6 UNPRESENTED DOCUMENTS

Accountable Documents in respect of transactions, totalling Le19 billion, were not made available for audit inspection.

2.7 PROCESSING OF PAYMENT VOUCHERS AND OTHER DOCUMENTS

There were payments for which Accountable Documents and vouchers were not adequately processed and those that lacked the relevant supporting documents.

2.8 MANAGEMENT INFORMATION SYSTEM

Modules within the Integrated Financial Management Information System were not fully utilised.

3.0 MINISTRIES, DEPARTMENTS AND AGENCIES

3.1 LOSSES OF CASH AND STORES

3.1.1 Ministries, Departments and Agencies (MDAs)

A Schedule of Losses of Cash and Stores arising from theft, fraud, or serious irregularities in Ministries, Departments and Agencies (MDAs) is attached as **Appendix A**.

3.1.2 Losses from Schools and Other Educational Institutions

Losses from Schools and Other Educational Institutions attracted not only cash losses in respect of fees collected but also large arrears of school fees and loans/salary advances unpaid. A detailed analysis of these losses for periods up to 31st December 2009 is given at **Appendix B**.

3.2 ACCOUNTANT GENERAL'S DEPARTMENT

A Procurement Committee was not established in the Department. In addition, a Procurement Plan was not submitted for inspection. A Strategic Plan was also non-existent. In the 2009 Financial Year, it was observed that the two Public Expenditure Tracking Survey (PETS) Forms attached to payments totalling Le20,000,000.00 were not authorized by the Financial Secretary. Some Commitment Control Forms (CCF) and PETS Form II in respect of payments, amounting to Le233,522,288.00 and Le211,241,145.00 for the 2008 and 2009 Financial Year respectively, were not stamped by the Department. Several payments for goods and services totalling Le11,918,745.00 and Le46,220,000.00 for the 2008 and 2009 Financial Years were effected without due regard for three competitive proforma invoices. Also, payments, to the tune of Le24,190,000.00 were made without the least competitive bidder being selected. Various payments, totalling Le129,163,500.00, were without adequate supporting documents. It was noted, from selected Payment Vouchers, that payments, amounting to Le420,534,000.00 and Le173,194,000.00 in respect of 2008 and 2009 Financial Years respectively, had amounts written in figures and not in words. Payment Vouchers and other supporting documents to the tune of Le126,689,722.00 and Le510,575,159.00 for the 2008 and 2009 Financial Years respectively were not ruled in red ink to avoid recycling. The application for and approval of special imprest were carried out by the same officer. Also there were no receipts to substantiate the use of imprests totalling Le12,816,000.00 and Le3,000,000.00. Standing imprest to the tune of Le13,776,400.00 were without adequate supporting receipts. Thirty (30) undated receipts totalling Le15,325,000.00 were attached to various payments in respect of special imprests. A total of Le65,975,000.00 was spent on fuel out of the 2nd Quarter allocation in 2008. However, recipients of such fuel never

signed to acknowledge receipt. It was also observed that the vehicles of sixteen (16) names included in the list of

beneficiaries were without Vehicle Life Cards. Fuel issued to them totalled Le30,160,000. Out of a total of 62 Payment Vouchers requested, only 52 were submitted. The remaining 10 Payment Vouchers, of which the sum of Le157,421,726.00, were not submitted for inspection. There were no Handing Over Notes for the period under review. Thirty-two (32) General Receipts were not available for verification. Various store items were not taken on charge in the Stores Ledger.

3.3 VICE PRESIDENT'S OFFICE

In spite of several requests by the auditors, financial records, totalling Le3,410,930,497.00 for the year 2006, were not made available for audit. Payments, totalling Le26,270,000.00 and Le56,000,000.00 in respect of Local Travelling and Vehicle Maintenance were without adequate supporting documents. The assets of the Vice President's Office were wrongly coded as they all had the same identification code. Location Inventories were not maintained. Fuel and Oil distributed in 2007 were not recorded in the Fuel Register. Fuel Chits and Vehicle Log Books were not presented to verify the usage of such fuel. The amount involved was Le82,000,000.00. As there was no storage facility for foodstuff and office items, these were not kept in a conducive atmosphere. Store procedures were therefore not observed. The location of the kitchen presented a fire hazard to the office. Huge differences existed between the Vote Service Ledger (VSL) and the IFMIS print out maintained by the Accountant General. There were instances where items were recorded in the VSL but not in the IFMIS print out and vice versa.

3.4 MINISTRY OF ENERGY AND WATER RESOURCES

Financial Reports were not available for inspection. The Assets Register was not properly maintained. Some assets in the Water Division were not inscribed with identification marks. Stationery items, amounting to Le25,000,000.00, for the Water Division, were not taken on Ledger Charge. It was difficult to determine the stock balance for the period under review. There was inadequate storage facility for stores items. Three (3) personnel of the Ministry had reached their retirement age of sixty (60) within the Water Division. Significant unusual fluctuations were observed in a month by month analysis of payroll costs processed by the Accountant General's Department on behalf of the Ministry. Adequate supporting documents in respect of Local Travelling totalling Le7,600,000.00, were not available for verification.

3.5 MINISTRY OF HEALTH AND SANITATION

3.5.1 Headquarters

A number of repeated requests was made for several Accountable Documents. However they were not submitted for inspection.

3.5.2 Central Medical Stores

In spite of repeated requests made for several Accountable Documents, they were not submitted for inspection. A large consignment of donated drugs was not brought to account. Differences were observed between the specifications required in the contract and those supplied as per Delivery Notes in respect of drugs and medical supplies. The Stock Cards were poorly kept.

3.5.3 Connaught Hospital

Revenue collected, totalling Le175,067,045.00, was allegedly paid to bank. Disbursements, totalling Le34,406,100.00, were without adequate supporting documents. Various drugs were not posted in the Ledger. Procurement Procedures were not followed in the printing of Receipt Books.

3.5.4 Kingharman Road Hospital

In spite of repeated requests, several Accountable Documents were not produced for inspection. Revenue collected, totalling Le301,108,485.00, was allegedly paid to bank. Disbursements, totalling Le19,688,150.00.00, were without adequate supporting documents. An Imprest Cash Book and retirement details were not maintained to account for imprests, totalling Le30,000,000.

3.5.5 Lumley Hospital

Several Accountable Documents could not be produced for inspection even after repeated requests. The sum of Le17,219,000.00 withdrawn from the Hospital Development Fund Account was without supporting documents. Drugs, totalling Le25,000,000.00, were not taken on ledger charge.

3.5.6 Kissy Mental Hospital 2005-2009

In spite of repeated requests, several Accountable Documents were not submitted for inspection. Disbursements, totalling Le749,662,002.00, made on behalf of the Hospital by the Ministry of Health and Sanitation for the period under review, were not adequately supported by Payment Vouchers and other supporting documents.

Although the Kissy Mental Hospital did not have any X-ray Department, it was observed that a total of Le58,320,159.00 was disbursed for the payment of X-ray materials for the Kissy Mental Hospital by the Ministry of Health and Sanitation (MOHS). A total of Le

145,055,525 was paid as the cost of fuel used, for both Vehicles and the Generator. No Log Book was submitted to indicate how the fuel was used. A comprehensive Inventory List / Fixed Asset Register was not maintained. It was noted that a Motor Bike (XL) with registration number ABC 455 assigned to the Hospital Secretary got missing. Other observations included, inter alia, the non-existence of an Asset Policy, the shortage of staff and stock of expired drugs.

3.5.7 Rokupa Government Hospital, (1st January, 2006 -31st December, 2008)

Effective controls were not maintained in respect of the hospital's Drug and Administrative bank accounts, as bank reconciliation exercises were not carried out for the entire period under review. An Inventory Register was not maintained by the hospital.

3.5.8 Princess Christian Maternity Hospital

An Accountable Documents Register was not maintained. There was no segregation of duties in the receipt and issue of diet and fuel supplied to the hospital. Receipts were not issued for the sale of drugs to the public in respect of an amount of Le42,647,200.00. Own revenue sources (Registration fees, Admission Fees and Theatre fees) collected, amounting to Le396,715,500.00, was not posted in the Cash Book. The hospital failed to bank daily revenue collected, totalling Le195,464,110.00, intact the following day. Revenue collected at the Theatre Unit, amounting to Le78,233,333.00, was expended without supporting documents. The Cash Book was poorly kept and as such the Finance Officer did not carry out Bank Reconciliation exercises for the whole period under review. Drug supplies, totalling Le322,204,350.00, received by the Pharmacy were not brought to account. Staff in the Accounting Department lacked the requisite qualification and training to deliver efficiently. Also an Accounting Manual to provide a clear guidance and instructions on book keeping process and other financial procedures was not in existent. Drugs issued from stores to Cost Recovery were not authorized by senior officials (Consultant-in-charge and Hospital Secretary). Also, food items used to prepare food for patients were solely handled by the cook, who received and expended the diet items without supervision. The number of patients admitted was not taken into consideration for the required food to be prepared. Drugs received, supplied and used were not taken on charge on a Bin or Tally Cards. A comprehensive inventory of the assets of the hospital was not maintained. In addition, assets were not labelled or marked. A Vehicle and Plant Log Books were not maintained.

3.5.9 Kissy Community Health Centre

In spite of repeated requests, several Accountable Documents were not produced for inspection. Drugs and other store items received by the Health Centre to the tune of Le13, 020, 427.00 were not taken on ledger charge. In addition, drugs were issued

without formal requisition and approval by the CHO. Registration Fees, totalling Le12,908,500.00, were not banked intact. Various payments, amounting to Le3,061,750.00, were without adequate supporting documents. In addition, a proper financial management system was not in place as payment vouchers were neither prepared nor authorised before payments were effected. An Inventory Register was not maintained by the Health Centre. In addition, assets were not labelled to clearly identify ownership. The Cash Book was poorly maintained. Effective controls were not maintained in respect of the Health Centre's bank account, as bank reconciliation exercises were not carried out for the period under review.

3.5.10 Public Health Unit-Bo

Payment Vouchers, with amounts totalling Le97,205,000.00 in respect of disbursements made by the department, were not supported by the relevant documentary evidence. Withholding Taxes, totalling Le12, 075,806.00, in respect of payments made to suppliers and contractors were not deducted at source and paid to the National Revenue Authority. A payment of Le27,918,250.00 was made on Cheque number 0295870 but the cheque stub had no description, stating the purpose of the expenditure. Two cheques numbered 0295874 and 0295875, with amounts totalling Le4,000,000.00 were withdrawn in the name of Petty Cash, but there was no Imprest System to account for these amounts. The sum of Le10, 186,440.00 worth of drugs supplied to a number of Public Health Units was still outstanding. Drugs received on behalf of the District Medical Store were not taken on ledger charge. In spite of repeated requests, several documents were not submitted for audit inspection.

3.5.11 Bo Government Hospital 2006 – 2008

Proceeds from sales of drugs, totalling Le4,525,000.00, for the period August to October 2008 were not brought to account. Revenue to amounting to Le150,000.00 was not recorded in the Revenue Register. Several anomalies were discovered in the receipt and expenses Payments, totalling Le27, 643,000.00, in respect of surgical kits and materials were not supported by the relevant documentary evidence. Payments, to the tune of Le1,016,000.00, were made without the approval of the Medical Superintendent. Payment Vouchers were not prepared for expenditure, totalling Le1,738,500. The Inventory Register maintained by the Hospital did not give information on assets. Several assets owned by the School were not recorded in the Inventory Register. The sum of Le17, 618,150.00 was collected and put into immediate use by the Hospital authorities for the period under review. In spite of repeated requests, several documents were not presented for audit inspection.

3.6 MINISTRY OF AGRICULTURE, FOOD SECURITY AND FORESTRY-

3.6.1 Mechanical Stores, Freetown

An Accountable Documents Register was not maintained. Regular inspections of the stores were not done either by the Vote Controller or his representatives. There was a marked understaffing in the store as the Storekeeper was in charge of receiving, recording and distributing items for all five (5) of the warehouses. Records/documents submitted in support of distributions made by the store to various individuals and districts revealed that plain papers were used to request supplies instead of the mandatory Store Requisition Forms. Periodic Stock Taking was not carried out for the entire period under review. In addition, the use of Bin or Tally Cards was not in existence and thus the storekeeper did not undertake systematic checks on each of the items in store to be compared with the store ledgers. Monthly Stock Reports were not produced for inspection. An Examination of store records revealed that replacements of spare parts amounting to Le241,892,528.00 were undertaken for which old spare parts were never returned to store. Records on stores disposal in respect of Organic Verm Fertilizer, Organic Fertilizer and Jute Bags classified as un-serviceable were not produced for verification. A total of 129,560 bags of fertilizers were issued to District Directors of Agriculture to be given out as loans to farmer groups and other individuals for which a Loans Register was not maintained to record the particulars of the transactions. Various stores items had still not been distributed. It was observed that an amount of Le1,618,500.00 was collected as revenue for the period 1st January, 2007 to 14th September, 2008. However, supporting documents were not produced to substantiate the utilisation of this amount. In addition, no job card was submitted for the period 15th September, 2008 to 16th November, 2009. Furthermore, although job cards were prepared for work done in December, 2009, revenue in relation to these jobs was not accounted for by the institution. Several anomalies and operational issues need to be quickly addressed.

3.6.2 Kenema 2008

Satisfactory responses were in most cases not received to our request for the provision of accounting records. In some instances records were produced after significant delays. An Internal Audit function was absent in the Ministry. A Fixed Assets Register was not maintained by the Ministry of Agriculture. The sum of Le9,765,000.00 was not banked intact by the Forestry Division. Several lapses were noted in the control of Receipt Books and accounting for revenue. Store procedures were blatantly flouted. A motor bike on loan to the Kenema City Council had not been returned. The management of the supply of seed rice was fraught with anomalies.

3.6.3 Kenema 2009

Accounting documents were not readily available for inspection. An Internal Audit function was not non-existent in the Ministry. A Fixed Assets Register was not maintained. The sum of Le805,000.00 was not banked intact by the Forestry Division. Several lapses were noted in the control of Receipt Books and accounting for revenue. The management of the supply of seed

rice was fraught with anomalies. The cooperation of the Deputy Director during the course of the audit was far below expectation.

3.7 MINISTRY OF EDUCATION, YOUTH AND SPORTS- KENEMA

In spite of repeated requests, some Accountable Documents were not available for inspection. There was no Internal Audit Report to confirm that the Internal Audit Unit in the Ministry of Education, Youth and Sports in Freetown continuously reviewed systems and procedures to ensure the adequacy, effectiveness and efficiency of the District office. Withdrawals were made from a Project Account and the Kenema District Education Council (KDEC) Schools Account for which Payment Vouchers were not raised. Interviews with key personnel revealed that some withdrawals of these amounts were from donor funds meant for specific education projects and that acquittals had been effected. However, there was no evidence of such acquittals to support the transactions. A total of Le474,451,224.00 and Le251,831,200.00 were involved respectively. A Fixed Assets Register was not maintained by the Ministry. However, a list of non up-dated assets was presented. The Ministry did not maintain a copy of the Fixed Assets Policy developed by the Central Government. Operations of the stores were marred by irregularities. The Kenema District Council received store items totalling Le 11,113,500 in 2007 on behalf of the Ministry. Only a copy of the Receipt Voucher was seen in the Ministry and the items could not be physical verified. The store environment left much to be desired.

3.8 MINISTRY OF INFORMATION & COMMUNICATION

In spite of repeated requests, several Accountable Documents were not submitted for inspection. **Fuel Chits were not submitted to support the receipt and usage of 4,894 gallons of fuel, costing Le69,167,500.00. Further verification revealed that 656 gallons of fuel, totalling Le8,584,700.00, were consumed in excess of the quantity approved for Senior Officials of the Ministry without any valid explanation. During the period 9.10.2008 to 31.12.2009, there was no evidence that recipients signed the Fuel Register to acknowledge receipt of fuel supplied to them. Special Imprests, totalling Le45,903,600.00 were not retired. In addition, an Imprest Cash Book was not maintained for the period under review.** Consumable items and other assets, totalling Le 47,000,000.00, were not taken on charge or posted in the Store Ledger for the period under review.

3.9 MINISTRY OF EMPLOYMENT, LABOUR AND SOCIAL SECURITY 2009

Although repeated requests were made for several Accountable Documents and Records these were not produced for inspection. A difference of 917 gallons was observed between the National Petroleum Records and the related Invoice and Local Purchase Order for the period under review. Special imprests, totalling Le24,750,000.00, for the period 2007 were without the relevant retirement details/documents. Withholding Taxes, amounting to Le 8,018,000.00, were not paid over to the National Revenue Authority (NRA).

3.10 MINISTRY OF TRANSPORT & AVIATION

Various documents in respect of procurement of vehicles, totalling Le1,771,715,900.00, for the period under review, were not submitted for inspection. It was therefore not possible for the auditors to determine whether the goods were supplied and used for their intended purposes. The Ministry had not updated its Allocated Stores Ledger. Some stocks of stationery, totalling Le73,020,000.00, procured in 2008 and 2009 were not recorded in the Ledger. Imprest Payment Vou-chers used in the disbursement of imprests, totaling Le79, 500,000.00, were not available for verification.

3.11 MINISTRY OF LANDS-KENEMA

In spite of repeated requests, many records were not available for inspection. An Internal Audit Report was not available. Revenue, totalling Le 2,405,000.00, posted into the Building Fees Register was without NRA receipt details. After a careful review of selected Builder's Personal Files and the Building Fees Registers, it was observed that twenty seven (27) Files were not entered in the Register. The Attendance Register and Personal Files were not properly maintained. The Assets Register was poorly kept. A Motor Bike assigned to the Area Town Planning Officer was not included in the Register.

3.12 MINISTRY OF SOCIAL WELFARE AND GENDER AND CHILDREN'S AFFAIRS (GENDER AND CHILDREN'S AFFAIRS DIVISION)

In spite of several requests, some Accountable Documents were not submitted for inspection. Financial Reports were not prepared by the ministry. An Internal Audit Unit was not in existence. Fixed assets during the period were not recorded in the Fixed Assets Register. Expenditure for Gender Programmes, totalling Le139,063,250.00, were without adequate supporting documents. In addition, expenditure returns on how these disbursements were made was not available for inspection. Amounts, totalling Le80,744,132.00 and Le3,935,000.00, in respect of Overseas and Local Travelling respectively were without supporting documents. Invoices and receipts for Local Training, totalling Le7,150,000.00, were not produced for inspection. Various items, totalling Le16,600,000.00 were neither taken on ledger charge nor were distribution lists in respect of such items, available for verification. Also, stationery items, amounting to Le13,000,000.00, were not taken on ledger charge. The Vote Service Ledger was poorly kept. Imprests, totalling Le5,000,000.00 were not recorded in the Cash Book. Photocopies of Payment Vouchers and their supporting documents were not maintained. Donor Peace Building Fund Account was not accessible to all divisions in the ministry. Handing and Taking Over of Accountable Documents was not done in accordance with the provisions of the Financial Management Regulations 2007. Payroll audit was not conducted owing to the fact that the salaries paid up- vouchers were not provided for inspection. There was lack of segregation of duties in the handling of stores items as the Accountant was also the store keeper. In addition, the Issuing Officer was also the Receiving Officer.

3.13 SIERRA LEONE POLICE FORCE (SLP)

3.13.1 Headquarters

The Inventory Register was not updated; some assets were without verification/identification marks. Out of a total of 8,000 raincoats supplied to the SLP, only 5,267 were verified leaving an outstanding balance of 2,733 which were not brought to account. Payments, totalling Le207,860,000.00, in respect of various store items were without Stock Verifiers Certificates. Grave anomalies were observed in the contract for the procurement of 18 vehicles by SLP. These vehicles were procured from Dubai rather than Japan as was stipulated in the contract document. The cost involved was Le1.9 billion.

Payment Vouchers, totalling Le6,114,500.00, in respect of local traveling were without supporting documents. The SLP spent huge amounts on outsourcing vehicles for repairs and maintenance even though there were personnel in the Vehicle Repair and Maintenance Section (Police Garage). Grave anomalies were discovered in the registration of vehicles.

3.13.2 Kissy Police Station, Kissy

Relevant supporting documents in respect of imprests, totalling Le500,000.00, were not submitted for inspection. A Lease Agreement was drawn up for the installation of an Africell pole at the Kissy Police Station. However, paying-in-slips were not submitted as evidence to substantiate the deposit of Le 10,000,000.00 paid by Africell to the

Police Account. Furthermore, there was no Policy Paper or Memorandum of Understanding between the Ministry of Finance (MoF) and Sierra Leone Police (SLP) to justify the payment of this amount to the Police Account instead of the Consolidated Fund. Neither a Log Book nor an operating record was maintained to record fuel supplied to the Kissy Police Station for the periods 2007 and 2008. In 2009, a Log Book for a vehicle (SLP 204) was not verified. Documentation in respect of a total of 2,035 gallons of fuel alleged to have been issued to officers during 2009 were without recipients' signature. In addition, every effort to get an independent report/ confirmation from Police Headquarters to ascertain the total gallons of fuel supplied to the Kissy Police Station for the entire period under review was unsuccessful. An Inventory Register was not maintained. In addition, assets were not labelled to clearly identify ownership. The environmental and operational aspect of the Exhibit Store left much to be desired. Petty Cash Vouchers were not serially numbered. Items were issued to various operational units for which requisitions and Store Issue Vouchers were not prepared. The Log Book was not properly maintained. The lack of Electricity supply to the station continued to be a major challenge in the absence of a generator.

3.14 SIERRA LEONE STATE PRISONS DEPARTMENT 2009

3.14.1 Headquarters

Vehicle Log Books were not maintained. The Fuel Register was not properly kept to account for

fuel, totalling Le174,803,200.00. Disbursements, totalling Le24,412,000.00, in respect of repairs of vehicles were without adequate supporting documents.

In addition, the vehicle registration numbers were not indicated on the Payment Vouchers. In two instances, two Payment Vouchers were raised twice for different transactions and supporting documents in respect of one of the vouchers in each instance were not submitted for inspection. A comprehensive Fixed Assets Register was not maintained. There were assets in the Hospital, Industries and Technical Division and the Office of the Regional Commander Western Area that were not recorded in the Inventory List submitted for verification. Assets were also not marked or coded. The Imprest Cash Book was poorly maintained. Documents produced in support of Imprest were completely inadequate. Amounts, to the tune of Le34,314,000.00, were disbursed in respect of photocopying official documents, even though the department had a photocopier. The department did not have a showroom to display items manufactured. As such it was difficult to realize value for money for the items purchased. The items were only accessible to Prisons Officials and prisoners in the main Pademba Road Prisons. Official Prescriptions and Requisition Forms were not used by the Medical Division of the Prisons Department. Physical verification of the dispensary revealed that it was in a deplorable state, with no ventilation and refrigerator to preserve medicines.

3.14.2 Kenema

Office Accommodation posed a great challenge as a result of the non-completion of a building for which 100% payment was made as far back as 2003. The Prison lacked stores for drugs and diet as well as elec-tricity. However, there is great improvement in the area of agriculture.

3.15 ADMINISTRATOR AND REGISTRAR GENERAL'S DEPARTMENT 2008 and 2009

Out of an Imprest of Le48,000,000.00, received by the department, the sum of Le24,000,000.00 was used for the purchase of stationery for which a specific subhead existed. A proper Assets Register was not in use. In addition, assets were not marked/coded. In 2005, a consignment of Scanners and Computers with an estimated value of Le76,640,000.00 was donated to the department as support from the United Kingdom Department for International Development (DIFID). These equipment were locked up in a store, whilst the department processed its transactions manually.

3.15.1 Revenue Administration

Scrutiny of revenue administration system operated by the NRA on behalf of the Administrator and Registrar General's Department for the period under review revealed the following:

Receipts, totalling Le12,313,000.00, were neither recorded in the Revenue Cash Book nor

were they banked.

Revenue collected and receipted for were understated in the Revenue Cash Book by Le5,694,480.00. This amount was not paid to bank.

Revenue, totalling Le16,688,447.00, recorded in the paying-in-slips were not reflected in the Bank Statement.

In 2008 out of a total of Le980,626,432.04 collected as revenue and recorded in the Revenue Cash Book, only the sum of Le912,893,450.27 was banked, leaving an outstanding balance of Le67,742,981.77.

3.16 LAW OFFICERS' DEPARTMENT

Payments Vouchers to the tune of Le12,442,300.00 were without adequate supporting documents. Also, supporting documents to Payment Vouchers totalling Le6,305,000.00 in respect of repairs to vehicles were not available for inspection. Receipts and Distribution Lists, for Top-up cards, totalling Le6,000,000.00, were not produced for verification. Payment Vouchers, totalling Le4,926,000.00, were raised without Local Purchase Orders. A Master Inventory Register was not maintained. In addition, assets owned by the department were not marked. The Department paid an amount of Le11,000,000.00 in respect of Electricity Bills. However such bills and receipts were not attached to the Payment Vouchers. In addition, meter numbers were not indicated on the Payment Vouchers

3.16.1 Grant to Law School

Supporting documents for Payment Vouchers to the tune of Le6,747,700.00 and Le11,464,000.00 for 2007 and 2008 respectively were not presented for inspection. Payment Vouchers were not initialled or signed by the Vote Controller. The signatories to the Law School Bank Account failed to initial the cheque stubs.

3.16.2 General

Requisitions were not raised. Also Store Issue Vouchers were not maintained to show how various stores items bought were distributed.

Photocopies of Payment Vouchers and their supporting documents as contained in Section 80 (2) of the FMR 2007 were not maintained.

The department failed to adhere to the practice of collecting three Proforma Invoices from various suppliers.

3.17 HUMAN RESOURCE MANAGEMENT'S OFFICE

Vehicle Log Books or operating records for the vehicles were not maintained. A review of procurement documents presented to auditors for inspection revealed that only one

proforma invoice was obtained in respect of procurement. Several anomalies were discovered in the Imprest System

3.18 NATIONAL STADIUM MANAGEMENT 2007 and 2008

An Internal Audit Unit was not in existence. There was no Contract Agreement in respect of several advert panels at the National Stadium Main Bowl. The Department failed to maintain its Fixed Assets Register. In addition, assets were not labelled/ marked. A Debtors Register was not maintained. Although reminder letters were issued to occupants of the hostel accommodation, rents totalling Le172,830,000.00, had still not been paid. A Loans Register was not in operation.

3.19 CIVIL AVIATION AUTHORITY

In spite of repeated requests, several Accountable Documents were not presented for inspection. Financial Reports were also not available for inspection. An Internal Audit Unit had not been established. Invoices and copies of Fuel Chits were not available to account for fuel totalling Le59,600,000.00. Supporting documents in respect of payments, to the tune of Le6,321,000.00 and Le14,732,013.00 for Local Training and Overseas Travelling respectively, were not available for verification. The sum of Le14,000,000.00 was expended as Imprest for 2007 without supporting documents. Photocopies of retirement details were not retained by the Authority. Also imprests totalling Le2,000,000.00 and Le21,000,000.00, were not entered in the Imprest Cash Book for 2007 and 2008 respectively. A Log Book was not maintained for vehicles and generators. Out of the total of Le23,600,000.00 expended on fuel, only the sum of Le20,623,000.00 was accounted for by the Authority, leaving an outstanding balance of Le2,975,000.00. The Vote Service Ledger was poorly kept. The Authority used a proportion of its training budget to train an Accountant General's staff, who was assigned to the Authority's Finance Department. However, the staff concerned was immediately transferred to another MDA. No bond was signed by the Staff. Payment Vouchers, totalling Le90,260,000.00, were without payees' signatures, witness signatures, and cheque numbers.

3.20 NATIONAL FIRE FORCE 2008 and 2009

A Physical verification of the store facility revealed some anomalies. The importance of fire fighters and fire fighting equipment had not been given the recognition it deserved. The number of hydrants in Freetown had considerably reduced from 290 to less than 10 as a result of road work. It was observed that four (4) of the fire engines called Carmichaels were not licensed and insured, while the licences and insurance for the other vehicles were not renewed during the period under review. The personnel / fire fighters were not properly secured and insured to undertake their complex task.

3.21 NATIONAL REGISTRATION SECRETARIAT 2008 and 2009

In 2008, a Revenue Cash Book was not maintained. In 2009, revenue collected totalling Le444,300,000.00 was not entered into a Cash Book. Revenue collected was not banked on a daily basis. Various equipment, totalling Le4,430,000.00 bought out of imprest were not physically verified nor were there records to indicate their distribution.

Even though a vehicle (with Registration No I730) had been off the road since 2004, the Secretariat continued to incur expenditure, totalling Le14,977,000.00 and Le19,545,000.00, on fuel and repairs and maintenance respectively in respect of such vehicle. A Log Book was not maintained. Fuel chits for the utilization of fuel were not made available for inspection. In addition, Delivery Notes for fuel, totalling Le34,175,000.00, were not produced for inspection. The Department failed to put in place proper documentation for stores items purchased. Assets purchased, totalling Le11,514,000.00, were not taken on ledger charge. Physical verification of assets at the Supervisor's Office revealed that some assets could not be traced, even though the inventory list recorded their existence in the office. Payment Vouchers for Local Training to the tune of Le5,000,000.00 were without supporting documents. Items bought for vehicle maintenance were not taken on ledger charge. Also, there was no evidence that vehicles were assessed and certified by the Sierra Leone Road Transport Corporation.

3.22 PROVINCIAL SECRETARY'S OFFICE, EAST

The Vote Service Ledgers were not properly maintained for the period under review. Procurement Procedures were not followed for purchases, totalling Le101,516,000.00. Withholding Taxes, totalling Le6,941,575.00, were not collected and paid over to the NRA. Grave anomalies were discovered in the disbursement of funds. The Inventory Register was not properly maintained. Some assets were not included in the Register. In addition, assets were not coded. Fuel Register, Fuel Chits and Vehicle Log Books were not in use to account for 10,122 gallons of fuel, costing Le124,582,800.00, for the periods 2005-2008. The working environment was not conducive. Employees did not respect the official working hours.

4.0 SCHOOLS AND OTHER EDUCATIONAL INSTITUTIONS

4.1 GOVERNMENT ROKEL JUNIOR SECONDARY SCHOOL- 1ST SEPTEMBER, 2008-31ST JULY, 2009

Withholding Taxes, totalling Le1,295,050.00, were not collected and paid over to the National Revenue Authority.

4.2 GOVERNMENT ROKEL SENIOR SECONDARY SCHOOL

Withholding Taxes, totalling Le1,444,950.00, were not collected and paid over to the National Revenue Authority.

4.3 PRINCE OF WALES JUNIOR SECONDARY SCHOOL

Teachers were not appraised as required by the Education Act 2004. Outstanding loans to teachers totalled Le3,700,000.00. Arrears of fees amounted to Le840,000.00.

4.4 PRINCE OF WALES SENIOR SECONDARY SCHOOL

Teachers were not appraised as required by the Education Act 2004.

4.5 FATTAH RAHMAN JUNIOR SECONDARY SCHOOL

A School Board had not been constituted. Teachers were not appraised as required by the Education Act 2004.

4.6 AKIBO-BETTS MUNICIPAL JUNIOR SECONDARY SCHOOL

Fees, to the tune of Le3,525,000.00 were not banked but put into immediate use. Payment Vouchers, totalling Le1,597,000.00 were without supporting documents. Arrears of fees totalled Le1,480,000.00. Teachers were not appraised as required by the Education Act 2004.

4.7 UNITED METHODIST JUNIOR SECONDARY SCHOOL- 1ST AUGUST, 2007-31ST AUGUST, 2009

Payment Vouchers without supporting documents totalled Le2,064,000.00. Arrears of School Fees soared to Le7,860,000.00.

4.8 ANSARUL ISLAMIC SECONDARY SCHOOL FREETOWN- 1ST SEPTEMBER, 2008-31ST AUGUST, 2009

Fees collected, totalling Le49,875,000.00, were not banked but put into immediate use. School Board had not been constituted. Expenditure details in respect of this amount were not submitted for verification. Payment Vouchers without supporting documents totalled Le6,963,200.00. Withholding Taxes, to the tune of Le798,561.00, were not collected and paid over to the National Revenue Authority.

4.9 MURRAY TOWN ARMY JUNIOR SECONDARY SCHOOL

School Fees, totalling Le2,568,000.00 were not banked but put into immediate use. Payment Vouchers, amounting to Le7,110,000.00, had no supporting documents. Bank Reconciliation exercises were not carried out by the school. Withholding Taxes, totalling Le1,580,000.00, were not deducted from payments to suppliers and paid over to the National Revenue Authority.

4.10 LAURA DOVE VOCATIONAL SCHOOL -1ST SEPTEMBER 2006-31ST AUGUST, 2009

A School Board of Governors was not constituted and fees collected, totalling Le18,957,000.00 were put into immediate use. Fees totalling Le4,560,000.00, were still outstanding. Payment Vouchers, amounting to Le4,408,000.00 had no supporting documents.

4.11 DR. S.M. BRODERICK JUNIOR SECONDARY SCHOOL - 1ST SEPTEMBER 2005-31ST AUGUST, 2009

There was no Board or bank Account. As such, fees totalling Le142,878,000.00 were not banked but put into immediate use. Out of the sum Le5, 954,000.00 expended, official receipts to the tune of Le5,358,000 were verified leaving an outstanding amount of Le596,000.00 without supporting documents.

4.12 BISHOP JOHNSON MEMORIAL JUNIOR SECONDARY SCHOOL-1ST AUGUST, 2007-31ST AUGUST, 2009

Receipt Book with Serial No. 37351-37400 was not submitted for inspection. Fees, to the tune of Le1,060,000.00, were still outstanding. Supporting documents were not available for payment totalling Le855,000.

4.13 BISHOP JOHNSON MEMORIAL SENIOR SECONDARY SCHOOL-1ST AUGUST, 2007-31ST AUGUST, 2009

Arrears of School Fees stood at Le1,450,000.00. There were outstanding loans to the tune of Le1,660,000.

4.14 SAINT EDWARD'S JUNIOR SECONDARY SCHOOL- 1ST SEPTEMBER, 2008-31ST JULY, 2009

A total of Le3,383,800.00 was paid without supporting documents. Arrears of School Fees stood at Le480,000.

4.15 SAINT EDWARD'S SENIOR SECONDARY SCHOOL-1ST SEPTEMBER, 2008-31ST JULY, 2009

A total of Le5,602,000.00 was paid without supporting documents. It was also observed that Requisitions were not raised by the Principal.

4.16 GOVERNMENT MODEL JUNIOR SECONDARY SCHOOL-1STSEPTEMBER,2007-31ST AUGUST, 2009

Several anomalies were discovered in the disbursement of funds. Arrears of School Fees totalled Le1,060,000.00. A Fixed Assets Register was not maintained and Bank

Reconciliation exercises were not carried out.

4.17 SIERRA LEONE BEHESTI ISLAMIC JUNIOR SECONDARY SCHOOL, -1ST SEPTEMBER, 2005-31ST AUGUST, 2009

Fees, totalling Le43,320,000.00, were not banked but put into immediate use. Documents relating to the operations of the school for the 2005/2006 Academic Year were not available for inspection. The disbursement of funds left much to be desired. No recovery has been made from arrears of fees totalling Le1,870,000.

4.18 VINE MEMORIAL SENIOR SECONDARY SCHOOL -1ST SEPTEMBER, 2007-31ST JULY, 2009

A total of Le 5,000,000.00 was unlawfully paid to Government Approved Teachers as salaries.

4.19 SIERRA LEONE MUSLIM BROTHERHOOD JUNIOR SECONDARY SCHOOL -1ST AUGUST, 2007-31ST JULY, 2009

Arrears of School Fees totalled Le4,600,000.00. Several anomalies were observed in the disbursement of fund. Fees, totalling Le146,349,400.00, were not banked but put into immediate use. A School Board had not been reconstituted.

4.20 SIERRA LEONE MUSLIM BROTHERHOOD SENIOR SECONDARY SCHOOL 1ST AUGUST, 2007-31ST JULY, 2009

An amount of Le11, 065,000.00 was not recorded in the Cash Book. Bank Reconciliation exercises were not carried out. A School Board had not been reconstituted. Arrears of fees totalled Le4,500,000.00.

4.21 TOMBO SECONDARY SCHOOL, TOMBO 1ST June 2005 to 31ST AUGUST 2010

Effective controls were not maintained in respect of the School's bank accounts, as bank reconciliation exercises were not carried out. In addition, Bank Statements were not submitted for inspection. Revenue collected, totalling Le178,112,000.00, was not banked intact. Arrears of fees totalled Le34,060,000.00. A proper financial management system was not in place. The School's Board was not functional for the 2009/2010 Academic Year. The School was operating a Senior Secondary School Shift without the approval of the Ministry of Education. The Inventory Registers were not properly maintained by the School. Furthermore, some assets were not labelled to clearly identify ownership.

4.22 TOMLINSON HIGH SCHOOL- SONGO 1ST JUNE , 2005 – 31ST AUGUST, 2010

Several anomalies were discovered in the disbursement of funds. Fees, amounting to Le 11,335,000, were not banked intact. In addition, fees, totalling Le 4,875,000.00, were not posted to the Cash Book. Staff Personal Files were not maintained and teachers/staff were not annually appraised. The School Board was not functional in the 2009/10 Academic Year. Effective controls were not maintained in respect of the School's bank accounts. A review of the paid-up payroll vouchers revealed that a total of **Le11,915,781.00** was paid to a teacher, for the period March, 2008 to August, 2010, whose name/signature did not appear in the Teachers' Attendance Registers for that period. It was observed that the School was operating a Senior Secondary school even though the approval for the opening of the School at S.S.S. level was yet to be granted by the Ministry of Education. Some Inventory Registers were not produced for inspection whilst a scrutiny of the others revealed several anomalies. A cheque book containing blank cheques already signed by one of the signatories to the account was in the custody of the bursar. The individual who was still a signatory to the account and had signed the blank cheques had already left the school.

4.23 MURIALDO VOCATIONAL TRAINING INSTITUTE

Documents relating to the 2005/2007 Academic Years were not produced for inspection. Fees, totalling Le28,859,954.00, were neither posted into the Cash Book nor banked. An amount of Le63,000,000.00 was withdrawn from the school's account but there was no evidence of how this money was spent. Payment Vouchers were not in use. It was observed that the school environment was very good and suitable for learning.

4.24 SAINT JOSEPH'S VOCATIONAL INSTITUTE

Various payments, totalling Le3,100,000.00, were not acknowledged by recipients and payments for the sum of Le1,310,000.00 were made without the relevant authority. Payments, amounting to Le5,955,000.00, were without supporting documents. The school did not have a safe or strong room. The Bursar sometimes kept school fees in her office drawers. Teachers/staff were not appraised contrary to the Education Act 2004.

4.25 MILTON COMPREHENSIVE SECONDARY SCHOOL BO 1ST SEPTEMBER 2007 - 31ST JULY 2009

Arrears of School Fees soared to Le3,380,000.00. Payments without supporting documents totalled Le3,161,000.00. Withholding Taxes, to the tune of Le340,750.00 were not deducted and paid over to the National Revenue Authority. The School authorities did not maintain a Cash Book for the 2008/09 Academic Year. In addition, Bank Reconciliation Statements were not prepared for the period under review. Payments totalling

Le4,703,000.00 were made for goods and services without 'Request for Quotations' from at least three suppliers. The Inventory Register was not properly maintained by the School. A School Board was not functional for the 2008/09 Academic Year.

4.26 MILTON SECONDARY SCHOOL BO 1ST SEPTEMBER 2007 - 31ST JULY 2009

Arrears of School Fees soared to Le3,450,000.00. Payments without supporting documents totalled Le2, 808,000.00. Withholding Taxes, to the tune of Le330,950.00.00, were not deducted and paid over to the National Revenue Authority. A Cash Book was not maintained and as such Bank Reconciliation exercises were not carried out., totalling Le8,413,000.00, were made for goods and services without 'Request for Quotations' from at least three suppliers. The Inventory Register was not properly maintained by the School. A School Board was not functional for the 2008/09 Academic Year.

4.27 SAINT ANDREW'S JUNIOR SECONDARY SCHOOL BO 1ST SEPTEMBER 2006 - 31ST JULY 2009

In spite of repeated requests, several key documents were not submitted for inspection. A review of the School Fees Register disclosed a total of Le 1,860,000.00 as arrears of fees for the period under review. These arrears were not supported by documents indicating that the pupils were transferred, withdrawn or expelled from the School. Various Payment Vouchers, totalling Le8,515,000.00, weresupported by the relevant documentary evidence. Withholding Taxes, amounting Le2,875,700.00, were not deducted from payments to suppliers and paid over to the National Revenue Authority.The School authorities did not maintain Cash Books for the 2007/08 and 2008/09 Academic Years. Effective controls were not maintained in respect of the School's Bank account, as Bank Reconciliation exercises were not carried out for the period under review. Payments, totalling Le25,477,000.00, were made for goods and services without 'Request for Quotations' from at least three suppliers. The Inventory Register was poorly maintained by the School. The School Board was not functional for the 2008/09 Academic Year. Teachers/staff were not appraised as required by the Education Act 2004.

4.28 SAINT ANDREW'S SENIOR SECONDARY SCHOOL BO 1ST SEPTEMBER 2006 - 31ST JULY 2009

Arrears of School Fees totalled Le840,000.00. Withholding Taxes, to the tune of Le336,900.00, were not deducted from payments from suppliers and paid over to the NRA. A School Board had not been constituted.

47.29 QUEEN OF THE ROSARY JUNIOR SECONDARY SCHOOL BO 1ST SEPTEMBER 2008- 31ST JULY 2009

Arrears of School Fees totalled Le1,880,000.00. Withholding Taxes, to the tune of

Le94,450.00 had not been deducted from

payments to contractors and paid over to the relevant authority. collected and put into immediate use totalled Le71,186,610.

**4.30 QUEEN OF THE ROSARY SENIOR SECONDARY SCHOOL
BO 1ST SEPTEMBER 2008- 31ST JULY 2009**

Arrears of School Fees stood at Le250,000.00. Supporting documents in respect of disbursements, totalling Le25,503,830.00, were not submitted for verification. Revenue collected and put into immediate use amounted to Le14,402,554. Bank Reconciliation was not carried out by the school.

4.31 METHODIST HIGH SCHOOL BO 1ST SEPTEMBER, 2006 - 31ST JULY, 2009

Arrears of School Fees totalled Le4,460,000.00. Withholding Taxes amounting to Le797,500.00 had not been deducted from payments to contractors and paid over to the relevant authority.

4.32 BO COMMERCIAL JUNIOR SECONDARY SCHOOL BO 1ST JANUARY 2007 - 31ST JULY 2009

Arrears of School Fees totalled Le660,000.00 whilst payments without supporting documents totalled Le550,000.00. Withholding Taxes of Le2, 164,800.00 were not deducted from payments to contractors and paid over to the relevant authority. Procurement procedures were not followed in respect of transactions totalling Le42,000,000. The sum of Le67,859,500.00, in respect of fees, was not banked but put into immediate use. A proper Inventory Register was not maintained.

4.33 BO COMMERCIAL SENIOR SECONDARY SCHOOL BO 1ST JANUARY 2007 - 31ST JULY 2009

Fees, totalling Le775,000.00, remained unpaid. Expenditure without supporting documents totalled Le3,000,000. Withholding Taxes to the tune of Le2, 624,000.00 had not been deducted from payments to suppliers and paid over to the relevant authority. Reconciliation was not carried out by the Bursar. Procurement procedures were not followed in the purchase of goods and services totalling Le41,546,000. A colossal sum of Le118,213,500.00, in respect of fees, was not banked but put into immediate use.

4.34 GOVERNMENT KOYEIMA 1ST SEPTEMBER 2006 - 31ST JULY 2009

Arrears of School Fees soared to Le2,105,000.00. Various Payment Vouchers, to the tune of Le2,230,000.00, were not supported by the relevant documentary evidence. Fees, totalling Le70,250,000.00 were put into immediate use by the School authorities. A Cash

Book was not maintained and controls in respect of the School's Bank Account were ineffective. The Inventory Register was not properly maintained by the School. A School Board was not functional for the 2008/09 Academic Year. Teachers/staff were not appraised as required by the Education Act 2004.

4.35 BAOMA SECONDARY SCHOOL 1ST 2006 – 31ST JULY 2009

In spite of repeated requests, several documents were not presented for inspection. Arrears of School Fees soared to Le7,400,000.00. Payments, totalling Le3,998,000.00, were not by the relevant documentary evidence. The sum of Le70,820,000.00 was collected as School Fees and put into immediate use by the School authorities. A Petty Cash System was not in existence.

4.36 GOVERNMENT SECONDARY SCHOOL, KENEMA

Teachers were not appraised as required by Section 40 of the Education Act 2004. Inspection, by Inspector of Schools was not evidenced during the period under review. Fees collected in respect of JSS and SSS, to the tune of Le 2,960,000.00 and Le3,370,000.00 respectively were not entered into the Fees Register. Furthermore, there was no contract agreement for the printing of Receipt Books which were not issued serially. Out of the total of Le137,461,000.00 collected as fees, only the sum of Le87,546,000.00 was banked leaving a balance of Le49,915,000 which was put into immediate use. Bank Reconciliation Statements were not prepared for the period under review. The Personal Files of teachers were poorly maintained. The Assets Register was not properly kept. In addition, the school did not maintain an Assets Policy and Assets Disposal Register.

Boarding Home

A difference of Le11,360,000.00 was observed between receipts issued and the amounts paid into bank. Several anomalies were discovered in the issue of stores.

4.37 HOLY TRINITY SENIOR SECONDARY SCHOOL, KENEMA

It was observed that Annual Appraisal of Teachers was not carried out by the Principal of the School. No inspection report of periodic inspections carried out by the Inspector of Schools was presented for audit inspection. Receipt Books for school fees collected from 374 SSS11 pupils totalling Le28,500,000.00, were not submitted for inspection. Furthermore, there was no contract agreement for the printing of Receipt Books which were not serially numbered. Withdrawals, totalling Le22,571,200.00, were made without proper documentation. Out of the total of Le73,550,000.00 collected as fees, only the sum of Le44,850,000.00 was banked leaving a balance of Le28,700,000.00 which was put into immediate use. Bank Reconciliation Statements were not prepared by the bursar. Record keeping in the school was deplorable. The Assets Register was poorly kept. In addition, assets did not have identification marks.

4.38 COLLEGE SECONDARY SCHOOL, KENEMA

An Accountable Documents Register was not maintained to record cash value documents. Revenue, totalling Le2,340,000.00, was not posted into the Cash Book. Several anomalies were discovered in the disbursement of funds. Out of the total of Le124,476,000.00 collected as fees, only the sum of Le115,272,500.00 was banked leaving an outstanding amount of Le9,203,500.00 which was put into immediate use. Amounts, to the tune of Le44,000,000.00, were withdrawn from bank for which Payment Vouchers were neither raised nor was evidence of their usage available for verification. Unclaimed salaries, totalling Le1,818,765, were not paid back into the Consolidated Revenue Fund. The Loans/Advances records were poorly kept. Out of total loans of Le8,930,000.00 given out to Teachers,

only the sum of Le6,625,000.00 had been recovered leaving an outstanding balance of Le2,305,500.00. It was observed that salaries were paid to staff who did not sign the Attendance Register. A total of Le3,726,619.00 was involved. Bank Reconciliation Statements were not prepared by the bursar. The Inventory Register was not properly prepared and regularly updated. In addition, assets of the school were not marked/labelled. Teachers were not appraised as required by Section 40 of the Education Act 2004. There was no evidence of inspection, by the Inspector of Schools.

4.39 UNITED METHODIST CHURCH SECONDARY SCHOOL, MAKENI

There were fluctuations in the salaries of teachers for the period. These amounted to Le9,549,928.00. Receipts were not obtained from the Accountant General's Department in respect of unclaimed salaries, totalling Le6,170,733.00, for the years 2005 and 2009.

4.40 MAKENI COMPREHENSIVE ACADEMY

Salary Vouchers for the months of September-October 2005, July 2006 and August 2007 were not submitted for verification.

5.0 PUBLIC ENTERPRISES AND COMMISSIONS

Non Submission of Accounts

As at 31st March 2010, the following Public Enterprises and Commissions had not submitted their Accounts for the 2009 Financial Year:

College of Medicine and Allied Health Sciences

Fourah Bay College

Institute of Public Administration and Management (IPAM)

Mining & General Service

Mining and General Services Company Ltd
National Assets Commission
National Commission for Democracy
National Commission for Social Action
National Commission for Human Rights
National Commission for Technical, Vocational and Other Academic Awards.
National Electoral Commission
National Hotel and Tourist Board
National Power Authority
National Shipping Company
Njala University College
National Shipping Company
National Revenue Authority
National Drugs Control Commission
Political Parties Registration Commission
Sierra Leone Law School
Sierra Leone Road Transport Corporation
Sierra Leone Telecommunications Company Ltd
Sierra Leone Water Company
Sierra Leone Roads Authority
Sierra Leone Postal Services (SALPOST)
Sierra Leone Waste Management
Statistics Sierra Leone
University Court
University Secretariat

5.1 BANK OF SIERRA LEONE

The Bank's Financial Statements for the year under review were prepared using International Financial Reporting Standards (IFRSs). The Statements did not fully comply with the International Standards applicable to banks but rather to the relevant Standards in the legislation. Although the bank is desirous of complying with applicable International Accounting Standards certain obstacles may impede full compliance. However management is fully committed to addressing such issues. Thus the review of the Bank of Sierra Leone Act 2000 is still ongoing. IAS 37 was not complied with in connection with the revaluation of pipeline items. Government failed to meet its responsibility as regards the preservation of the capital base of the bank. Revaluation gains positively impacted on the negative reserve positions. Details of Treasury Bills dis-invested were not recorded in the Treasury Bills Register. On a review of the end of year schedule for Supplies and Materials in transit it was discovered that there some of the items were fairly long outstanding. There were

also some long outstanding items in the reconciliation for the West African Monetary Agency Settlement Account dating back to 1999. Several advances made to staff remained unpaid. A risk assessment exercise was carried out in respect of the auditable activities for the year under review covering all aspects of the bank's operations. It was observed that not all high risk rated activities were audited during the period under review. Income from rents received from Petroleum Unit and Government Gold and Diamond Office (GGDO) could not be verified in the absence of lease agreements. Underpayments of Tax occurred as a result of the wrong treatment of Tax on Rent Allowances. An under payment of PAYE was observed on a sample of Ex-Gratia payments made to employees. Interest payment on loans granted to Community Banks had been overdue after the interest free period of five years. Owing to the time lapse in posting entries between the Inventory Control Ledger and the Sun Systems Accounting Software differences were observed between inventories recorded in the Financial Statement and those recorded in the Inventory Control Ledger. Included in Materials in Transit were assets already received by the Bank. Differences were observed between the balances of government deposits held in the Banking Application System and those held in the Sun Systems module.

5.2 NATIONAL PUBLIC PROCUREMENT AUTHORITY-2006

An Accountable Documents register was not maintained. The Cash Book was not properly maintained and there was no evidence of the review of the Bank Reconciliation Statements by the appropriate authority. Payment Vouchers were not serially pre-numbered and requisitioned. A Finance Procedural Manual was not in existence within the organisation. Withholding Taxes, totalling Le4,147,749.00, were not deducted from suppliers' payment for goods and services. Minutes of the Board were not signed and approved by the Chairman of the Board as required by Section 8 of the National Public Procurement Act of 2004. Remuneration Fees and Allowances were paid to Board Members without the approval of the Minister of Finance. A capitalization policy was not in place. In addition, no insurance policy was taken out on high value items, except for Vehicles. Several anomalies were discovered in the Petty Cash System. Personal Files were not properly maintained. A marked understaffing was noted in the Accounts Department.

5.3 PETROLEUM RESOURCES UNIT 2007 & 2008.

Several issues reported in my previous report have still not been addressed. **There was no indication that bank reconciliation statements were reviewed by a senior officer for the period January to September 2007.** Significant differences were also noted between the balances indicated in the various Reconciliation Statements and those in the Cash Books. The balance for Rokel Commercial Bank was overstated in the Financial Statement by Le 4,230,000. Cash counts were not carried out at the end of the financial years under review. The cash balances stated in the Financial Statements for 2007 and

2008 were different from those in the Petty Cash Book. Bank balances denominated in foreign currencies were not translated to Leones at the exchange rate ruling at the end of the financial years. Differences of Le851,000.00 were noted between the Financial Statement and the General Ledger for December 2007 in respect of staff cost. Grave anomalies were noted in the calculation of staff salaries. PAYE deductions totalling Le7,147,480.00 were not paid over to the National Revenue Authority. *There were instances of misclassification of expenditure for the period under review.* **The treatment of assets left much to be desired. The exchange gains stated in the Financial Statements for 2007 and 2008 were overstated by Le74,085,000 and Le13,174,000 respectively. Quarterly Budgets Reports were not submitted to the National Commission for Privatisation (NCP) for the period October 2007 to December 2008.**

5.4 OFFICE OF THE NATIONAL SECURITY 2002 – 2008

An Accounting Manual was not maintained. Payrolls were not reviewed whilst NASSIT Rules were grossly violated. A Fixed Assets Register was not properly maintained. There was neither a capitalization nor maintenance policy for such assets neither did they have identification marks. Record keeping was poor.

5.5 OFFICE OF THE OMBUDSMAN 2008

An Accounting Manual was not maintained. It was observed there was no capitalization or maintenance policy for Fixed Assets. Withholding Taxes, totalling Le 1,192,300.00, were not deducted from suppliers' payment for goods and services. Payment Vouchers were not prepared when funds were disbursed and recipients of such funds did not sign to acknowledge receipt. Several weaknesses were discovered in the Petty Cash System. Only one of the two bank accounts operated by the organisation was featured in the books of the office. The payrolls for the period under review were not checked by a senior official to confirm the accuracy of the figures. A Fuel Distribution Policy was not in place. The Ombudsman did not comply with Section 15 of the Ombudsman Act, 1997 during the period under review.

5.6 ANTI CORRUPTION COMMISSION 2007 AND 2008

Several anomalies were discovered in the Procurement and Stores processes. Bank Reconciliations were not properly documented. The work of the Internal Audit Department could not be relied upon. Several Accountable Documents were not produced for inspection. Cash Counts were not conducted at the end of the year. Some Fixed Assets were omitted from the Fixed Assets Register. Several lapses were discovered in the control of stores.

5.7 SIERRA LEONE INSURANCE COMMISSION (SLICOM) 2008

Brokers Agents did not comply with the requirements of the Insurance Act 2000. The Commission did not carry out an annual cash count and the surprise cash count that was done was not witnessed by an external party. New assets bought by the Commission did not have identification marks. Actual Expenditures in certain areas far exceeded the budget. A Maintenance Policy was not in existence.

5.8 SIERRA LEONE INSURANCE COMMISSION (SLICOM) 2009

Several issues raised in my previous Audit report have not been addressed by the Commission. Withholding Taxes, totalling Le107,700.00, was not deducted and paid over to the National Revenue Authority. Purchase Requests were not serially pre-numbered.

5.9 TERTIARY EDUCATION COMMISSION 2009

The Organisation was on the verge of computerizing its data base. Accounting staff had not been adequately trained to perform their jobs effectively. There is no Internal Audit Unit in the Organisation.

5.10 SIERRA LEONE LIBRARY BOARD 2009

The Internal Controls System in place at the Sierra Leone Library Board were found to be generally adequate taking into account the environment within which the Sierra Leone Library Board operates. Several issues raised in my previous Audit report have not been addressed by the organisation.

5.11 ROKEL COMMERCIAL BANK (SL) LIMITED 2009

No action had been taken by the bank to obtain adequate collateral for an overdraft facility which stood at Le729m as at the end of the year under review.

5.12 GUMA VALLEY WATER COMPANY 2009

Action had not been taken on some of the issues of concern raised in the 2008 Report. In view of the huge provision for Doubtful Debts the credit and debt collection policies appear ineffective. There was no movement on the debtors' balances of a specific organisation during the accounting period. NASSIT, PAYE and Withholding Tax deductions amounting to Le540,055,169.00, Le1,285,478,109.00 and Le368,890,789.00 respectively at 31st December 2009 had not been paid over to the appropriate authorities. The Company had exceeded its Rokel Commercial Bank temporary overdraft limit. The Fixed Assets Register was not properly maintained. Supporting documents in respect of the loan granted to the Company by the Islamic Development Bank, amounting to Le1,352,215,772.86, were not submitted for verification. Utility Bills were also not honoured by the institution. Personal

Files were not up-dated and some were not even available for inspection. Huge adverse variances were noted after an analytical review on the results and budget for 2009.

5.13 SIERRA LEONE WATER COMPANY 2003 -2008

Financial Statements were not prepared and only incomplete records were presented for inspection in respect of the Islamic Development Bank (IDB) Project; as most of the records had been impounded by the Anti Corruption Commission.

5.14 NATIONAL REVENUE AUTHORITY

The existence of the Zimmi Border Post under construction, for which a total of Le291 million was paid, could not be physically verified. Furthermore in 2007 additional payments, totalling Le96,454,503.00, were made towards the construction project. In the absence of adequate supporting documents and proper Internal Controls, the amount of Le15 billion could not be verified. Revenue Collectors were not properly monitored in the execution of their duties. Duty free income of Le49m was not banked. Supporting documents were not provided for Anti Smuggling income of Le119m. This was also the case for grant income of Le181 million. Several Monthly Revenue Reports were not submitted by Management. Adequate supporting documents were not available for expenditure of Le1.1 billion in 2006 and most expenses in 2007. In the absence of Cash Count Certificates cash balances at 31.12.06 & 07 could not be verified in respect of some Departments. Also cash transactions, totalling Le24.2m, lacked supporting documents. Special imprests given in 2006 were not retired at the end of the year. Variances were observed between schedules provided for some operating expenses and the amounts reported in the Trial Balance. Bank Reconciliation Statements were only reviewed in April and December 2006 and January and February in 2007. Stale cheques were featured in Bank Reconciliation Statements. Supporting documents were not available for a selected sample of Petty Cash disbursement vouchers amounting to Le5,723,700.00. Year end physical stock taking was not carried out in 2006 and 2007. Requisition Vouchers requested were not produced by Management. In 2006 additions to Fixed Assets of Le329m could not be confirmed by third party documentation. Similar situations applied in 2007. The Authority only insured its motor vehicles, and not its entire property, plant and equipment. The NRA did not keep proper Books of Accounts. IAS 19 was not complied with by the Authority. Recommended adjustments to previous years Accounts have not been effected. It was observed that computations of Withholding Tax collected, totalling Le11,395,784 and Le19,223,682 for 2006 and 2007 respectively, were not approved by the Principal Collector/Commissioner of Income Tax as required by the Authority's collection policy. Documents in respect of the Clearing Process of Goods at Customs were not made available to the Auditors in respect of a total of Le930,069,765.74. Included in Property, Plant and Equipment were capital expenditure amounting to Le 133.6 million for which Management was not able to

provide procurement requisition, price quotation, review and approval of Tender Committee, Commissioner General and payment receipt. The Authority had not paid accrued Withholding Taxes amounting to Le231 million in compliance with the Act.

5.15 SIERRA LEONE PORTS AUTHORITY

A Fixed Assets Register was not maintained. The Authority did not have a capitalization threshold policy for Fixed Assets. In 2009 additions to Fixed Assets of Le43 million could not be confirmed by third party documentation. In addition, the analysis and supporting documents in respect of work in progress addition of Le315.2 million were not submitted for inspection. The Authority only provided insurance coverage for Motor Vehicles only which were highly under insured. Monthly bank reconciliation statements were not prepared, reviewed, and approved by Management in respect of 8 Accounts. It was also noted that a cash in transit of Le43,076,288.69 in Access Bank December 2009 reconciliation statement but Le42,982,788.00 was subsequently deposited into the bank account on 4th January 2010 with an unexplained difference of Le93,500.69. Thus, it appears that the monthly bank reconciliation was not being properly prepared, reviewed and approved by Management. In addition, it was observed that the cashiers responsible for the receipt of cash were also involved on a monthly basis in the preparation of the bank reconciliation statements. Management was not reviewing the Authority's debtors profile regularly. The operation of the Petty Cash system was marred with irregularities. There was no segregation of duties with regard to the collection of cash, postings to the Cash Book and lodgements into bank. Bank Statements for January 2009 were not available for inspection. A stale cheque of Le2,230,600.00 was still reflected in the Bank Statements. Two cheques received on 31.11.2009 were not banked until 28.1.2010. Furthermore such amounts were not included in the figure of Cash in Hand on 31.12.2009. Supporting documents to substantiate expenses amounting to Le6.2 billion in 2009 were not produced for inspection. Provisions was made in the Accounts for a disputed balance of Le542,905,251.70 held in a foreign bank account. In the course of a review of other trade debtors, third party supporting documents were not available to support balances totalling Le1,497,673,314.30. There was no evidence that the payroll was reviewed and approved by a senior officer before payments were made to staff. Income was being accounted for on cash basis instead of accrual basis. It was observed that the Access Bank account was opened without the approval of the Board. The operations of the Internal Audit Division left much to be desired. International Financial Reporting Standards (IAS 19) was completely flouted. Obsolete items to the tune of Le227.3 million were found in stock on 31.12.2009. The loan agreement on the loan granted by International Development Association (IDA) to the Government of Sierra Leone under Credit Number 2895 SL for the replacement of Shipway Cradle and Port Rehabilitation was not provided for inspection. The Information Security Policies and Procedures left much to

be desired. The access to the Server Room was not completely restricted. There were inadequate structures in the control Environment and Risk Assessment areas. The IT Strategy was not documented. The Disaster Recovery/Continuity Plan failed to address all areas especially data restoration. Neither an Antivirus Policy nor an Incident or Problem Management had yet been developed.

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APPENDIX A					
LOSSES OF CASH AND STORES RECORDED FROM 1ST JANUARY 2009 - 31ST DECEMBER 2009					
MINISTRY/DEPARTMENT	DESCRIPTION	A¹ CASH LOSSES	RECOVERIES	PENDING	SURCHARGE
		2009			
		Le	Le	Le	Le
Ministry of Social Welfare, Gender and Children's Affairs	Payments without Supporting Documents	139,063,280	Nil	139,063,280	Nil
	" " " "	80,774,132	Nil	80,774,132	Nil
	" " " "	3,935,000	Nil	3,935,000	Nil
	" " " "	7,150,000	Nil	7,150,000	Nil
	Store items not accounted for	29,600,000	Nil	29,600,000	Nil
	Imprest not brought to account	5,000,000	Nil	5,000,000	Nil
Law Officer's Department	Payments without Supporting Documents	12,442,300	Nil	12,442,300	Nil
	" " "	6305000.00	Nil	6305000.00	Nil
	" " "	6000000.00	Nil	6000000.00	Nil

	" " "	11000000.00	Nil	11000000.00	Nil
	" " "	18211700.00	Nil	18211700.00	Nil
Accountant General's Department	Unauthorised payments	20000000.00	Nil	20000000.00	Nil
	Payments without Supporting Documents	129163500.00	Nil	129163500.00	Nil
	Payments without Receipts	15816000.00	Nil	15816000.00	Nil
	Imprest not brought to account	13776400.00	Nil	13776400.00	Nil
	" " " " "	15325000.00	Nil	15325000.00	Nil
	Fuel not acknowledged	65975000.00	Nil	65975000.00	Nil
	Fuel not brought to account	30160000.00	Nil	30160000.00	Nil
	Payment Vouchers not submitted	157421726.00	Nil	157421726.00	Nil
Vice President's Office	Payment Vouchers not submitted	3410930497.00	Nil	3410930497.00	Nil
	Payments without Supporting Documents	26270000.00	Nil	26270000.00	Nil
	" " " " "	56000000.00	Nil	56000000.00	Nil
	Fuel not brought to account	82000000.00	Nil	82000000.00	Nil
Sierra Leone state Prisons Department	Fuel not brought to account	174,803,200.00	Nil	174,803,200.00	Nil
	Payments without Supporting Documents	24,412,000.00	Nil	24,412,000.00	Nil
Administrator and Registrar General's Department	Receipts not banked	12,313,000.00	Nil	12,313,000.00	Nil
	Revenue understated	5,694,480.00	Nil	5,694,480.00	Nil
	Revenue not Banked	16,688,447.00	Nil	16,688,447.00	Nil
	Revenue not recorded in Cash Book	67,742,981.42	Nil	67,742,981.42	Nil
National Registration Secretariat	Revenue not recorded in Cash Book	444,300,000.00	Nil	444,300,000.00	Nil
	Equipment not physically verified	4,430,000.00	Nil	4,430,000.00	Nil
	Disbursements not properly brought to account	14,977,000.00	Nil	14,977,000.00	Nil

	" " " " "	19,545,000.00	Nil	19,545,000.00	Nil
	Delivery Note for fuel not available	34,175,000.00	Nil	34,175,000.00	Nil
	Assets not taken on ledger charge	11,514,000.00	Nil	11,514,000.00	Nil
	Payments without Supporting Documents	5,000,000.00	Nil	5,000,000.00	Nil
Sierra Leone Police-Headquarter	Payments without Supporting Documents	6,114,500.00	Nil	6,114,500.00	Nil
	Supplies without Stock Verifiers' Certificate	207,860,000.00	Nil	207,860,000.00	Nil
Kissy Police Station	Imprest not brought to account	500,000.00	Nil	500,000.00	Nil
	Revenue from Lease not accounted for	10,000,000.00	Nil	10,000,000.00	Nil
Ministry of Energy and Water Resources	Store items not taken on ledger charge	25,000,000.00	Nil	25,000,000.00	Nil
	Payments without Supporting Documents	7,600,000.00	Nil	7,600,000.00	Nil
Civil Aviation Authority	Fuel not brought to account	59,600,000.00	Nil	59,600,000.00	Nil
	Payments without Supporting Documents	6,321,000.00	Nil	6,321,000.00	Nil
	" " " " "	14,732,013.00	Nil	14,732,013.00	Nil
	Imprest not brought to account	14,000,000.00	Nil	14,000,000.00	Nil
	" " " " "	2,000,000.00	Nil	2,000,000.00	Nil
	" " " " "	21,000,000.00	Nil	21,000,000.00	Nil
	Fuel not accounted for	2,975,000.00	Nil	2,975,000.00	Nil
	Payments without payees' signatures	90,260,000.00	Nil	90,260,000.00	Nil
Ministry of Agriculture and Food Security-Mechanical Stores	Revenue not accounted for	1,618,500.00	Nil	1,618,500.00	Nil
	Payments without Supporting Documents	241,892,528.00	Nil	241,892,528.00	Nil
Ministry of Agriculture and Food Security-Kenema	Amount not banked intact	9,765,000.00	Nil	9,765,000.00	Nil
	" " " " "	805,000.00	Nil	805,000.00	Nil
Ministry of Information and Communication	Fuel not accounted for	69,167,500.00	Nil	69,167,500.00	Nil
	Excess fuel consumed	8,584,700.00	Nil	8,584,700.00	Nil

	Imprest not brought to account	45,903,600.00	Nil	45,903,600.00	Nil
	Store items not taken on ledger charge	47,000,000.00	Nil	47,000,000.00	Nil
Ministry of Health and Sanitation-Connaught Hospital	Revenue not brought to account	175,067,045.00	Nil	175,067,045.00	Nil
	Disbursements without supporting documents	34,406,100.00	Nil	34,406,100.00	Nil
Kingharman Road Hospital	Revenue not brought to account	301,108,485.00	Nil	301,108,485.00	Nil
	Disbursements without supporting documents	19,688,150.00	Nil	19,688,150.00	Nil
	Imprest not brought to account	30,000,000.00	Nil	30,000,000.00	Nil
Lumley Hospital	Disbursements without supporting documents	17,219,000.00	Nil	17,219,000.00	Nil
	Drugs not taken on ledger charge	25,000,000.00	Nil	25,000,000.00	Nil
Kissy Mental Hospital	Disbursements without supporting documents	749,662,002.00	Nil	749,662,002.00	Nil
	Amounts not properly Accounted for	58,320,159.00	Nil	58,320,159.00	Nil
	Fuel not accounted for	145,055,525.00	Nil	145,055,525.00	Nil
Princess Christian Maternity	Drugs not properly accounted for	42,647,200.00	Nil	42,647,200.00	Nil
	Fees not posted into Cash Book	396,715,500.00	Nil	396,715,500.00	Nil
	Amount not banked intact	195,464,110.00	Nil	195,464,110.00	Nil
	Drugs not brought to account	322,204,350.00	Nil	322,204,350.00	Nil
	Disbursements without supporting documents	78,233,333.00	Nil	78,233,333.00	Nil
Kissy Community Health Centre	Drugs not taken on ledger charge	13,020,427.00	Nil	13,020,427.00	Nil
	Amount not banked intact	12,908,500.00	Nil	12,908,500.00	Nil
	Payments without Supporting Documents	3,061,750.00	Nil	3,061,750.00	Nil
Public Health Unit Bo	Disbursements without supporting documents	97,205,000.00	Nil	97,205,000.00	Nil
	Withholding Taxes not paid	12,075,806.00	Nil	12,075,806.00	Nil
	Imprest not brought to account	4,000,000.00	Nil	4,000,000.00	Nil
	Outstanding Drugs	10,186,444.00	Nil	10,186,444.00	Nil

Government Hospital Bo	Proceeds from sale of drugs no accounted for	4,525,000.00	Nil	4,525,000.00	Nil
	Amount not recorded in Cash Book	150,000.00	Nil	150,000.00	Nil
	Payments without Supporting Documents	27,643,000.00	Nil	27,643,000.00	Nil
	Payments without approval	1,016,000.00	Nil	1,016,000.00	Nil
	Expenditures without Payment Vouchers	1,738,500.00	Nil	1,738,500.00	Nil
Ministry of Employment, Labour and Social Security	Imprest not brought to account	24,750,000.00	Nil	24,750,000.00	Nil
	Withholding Taxes not paid	8,018,000.00	Nil	8,018,000.00	Nil
Ministry of Transport and Aviation	Procurement documents not available	1,771,715,900.00	Nil	1,771,715,900.00	Nil
	Store items not taken on ledger charge	73,020,000.00	Nil	73,020,000.00	Nil
	Imprest not brought to account	79,500,000.00	Nil	79,500,000.00	Nil
Ministry of Education-Kenema	Amounts not properly Accounted for	474,451,224.00	Nil	474,451,224.00	Nil
	" " " " "	251,831,200.00	Nil	251,831,200.00	Nil
	Store items not taken on ledger charge	11,113,500.00	Nil	11,113,500.00	Nil
Ministry of Lands-Kenema	Revenue not accounted for	2,405,000.00	Nil	2,405,000.00	Nil
Provincial Secretary's Office-East	Procurement procedures not followed	101,516,000.00	Nil	101,516,000.00	Nil
	Withholding Taxes not paid	6,941,575.00	Nil	6,941,575.00	Nil
	Fuel not accounted for	124,582,800.00	Nil	124,582,800.00	Nil
TOTAL		11,778,780,569.42		11,778,780,569.42	

APPENDIX B

SCHOOLS AND OTHER EDUCATIONAL INSTITUTIONS- 2009 ACCOUNTS

	Scho ol Fees Not Bank ed	Salary Advance	Arrears of School Fees	Losses	Unclaimed Salaries	Recoveries	Pending
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NAME OF SCHOOL	-	Le	Le	Le	Le	Le	Le	Le	Le
Government Rokol Secondary School (JSS)	-	-	-	-	-	-	-	-	Nil
Withholding Taxes not Paid	-	-	-	-	-	-	1,295,050	-	1,295,050
Government Rokol Secondary School (SSS)	-	-	-	-	-	-	-	-	Nil
Withholding Taxes not Paid	-	-	-	-	-	-	1,444,950	-	1,444,950
Prince of Wales Secondary School (JSS)	-	-	3,700,000.00	-	840,000.00	-	-	-	4,540,000
Akibo-Betts Municipal (JSS)	-	3,525,000	-	-	1,480,000.00	-	-	-	5,005,000
Payments without Supporting Doc.	-	-	-	-	-	-	1,597,000	-	1,597,000
United Methodist Church Sec. Sch. For Girls	-	-	-	-	7,860,000	-	-	-	7,860,000
Payments without Supporting Doc.	-	-	-	-	-	-	2,064,000.	-	2,064,000.00
Ansarul Islamic Secondary School	-	49,875,000.00	-	-	-	-	-	-	49,875,000
Withholding Taxes not Paid	-	-	-	-	-	-	798,561.00	-	798,561.00
Payments without Supporting Doc.	-	-	-	-	-	-	6,963,200	-	6,963,200
Murray Town Army (JSS)	-	2,568,000	-	-	-	-	-	-	2,568,000
Withholding Taxes not Paid	-	-	-	-	-	-	1,580,000	-	1,580,000
Payments without Supporting Doc.	-	-	-	-	-	-	7,110,000	-	7,110,000
Laura Dove Vocational Secondary School	-	18,957,000	-	-	4,560,000	-	-	-	23,517,000
Payments without Supporting Doc.	-	-	-	-	-	-	14,448,000	-	14,448,000
Dr. S.M.Broderick (JSS)	-	142,878,000	-	-	-	-	-	-	142,878,000
Payments without Supporting Doc.	-	-	-	-	-	-	596,000	-	596,000
Bishop Johnson Memorial	-	-	-	-	1,060,000	-	-	-	1,060,000

Sec.Sch.(JSS)													
Payments without Supporting Doc.	-							855,000			Nil	855,000	
Bishop Johnson Memorial Sec.Sch.(SSS)	-			1,660,000		1,450,000					Nil	3,110,000	
Government Model (JSS)	-					1,060,000					Nil	1,060,000	
S/L Behesti Islamic Secondary School	-	43,320,000	-	-		1,870,000	-	-	-	-	Nil	45,190,000	
Vine Memorial (SSS)	-		-	5,000,000	-		-	-	-	-	Nil	5,000,000	
S/L Muslim Brotherhood (JSS)	-	146,349,400	-	-		4,600,000	-	-	-	-	Nil	150,949,400	
S/L Muslim Brotherhood (SSS)	-	11,065,000.00	-	-		4,500,000	-	-	-	-	Nil	15,565,000	
Tombo Secondary School	-	178,112,000.00				34,060,000					Nil	212,172,000	
Tomlison High School	-	16,228,000.00		11,915,781							Nil	28,143,781	
Murialdo Vocational Training Institute	-	28,859,954.00									Nil	28,859,954	
Payments without Supporting Doc.	-							63,000,000			Nil	63,000,000	
St. Joseph's Vocational Institute-	-										Nil		
Payments not authorized	-						1,310,000				Nil	1,310,000	
Payments without Supporting Doc.	-						5,955,000				Nil	5,955,000	
Payments not Acknowledged by Payees	-						3,100,000				Nil	3,100,000	
Milton Comprehensive (JSS) Bo	-		-	-	-	3,380,000	-	-	-	-	Nil	3,380,000	
Payments without Supporting Doc.	-						7,864,000				Nil	7,864,000	
Withholding Taxes not Paid	-						340,750				Nil	340,750	
Milton Comprehensive (SSS) Bo	-				3,450,000						Nil	3,450,000	
Payments without Supporting Doc.	-						11,221,000				Nil	11,221,000	

Withholding Taxes not Paid	-							330,950			Nil	330,950
St. Andrew's (JSS) Bo	-					1,860,000					Nil	1,860,000
Payments without Supporting Doc.	-							33,992,000			Nil	33,992,000
Withholding Taxes not Paid	-							2,875,700			Nil	2,875,700
St. Andrew's (SSS) Bo	-					840,000					Nil	840,000
Withholding Taxes not Paid	-							336,900			Nil	336,900
Queen of the Rosary (JSS) Bo	-	71,186,610	-	-	-	1,880,000	-	-	-	-	Nil	73,066,610
Withholding Taxes not Paid	-							94,450			Nil	94,450
Queen of the Rosary (SSS) Bo	-	14,402,554				250,000					Nil	14,652,554
Payments without Supporting Doc.	-							25,503,830			Nil	25,503,830
Methodist High School- Bo	-					4,460,000					Nil	4,460,000
Withholding Taxes not Paid	-							797,500			Nil	797,500
Bo Commercial (JSS)	-	67,859,500				660,000					Nil	68,519,500
Payments without Supporting Doc.	-							550,000			Nil	550,000
Withholding Taxes not Paid	-							2,164,800			Nil	2,164,800
Procurement procedures not followed	-							42,000,000			Nil	42,000,000
Bo Commercial (SSS)	-	118,213,500				775,000					Nil	118,988,500
Payments without Supporting Doc.	-							3,000,000			Nil	3,000,000
Withholding Taxes not Paid	-							2,624,000			Nil	2,624,000
Procurement procedures not followed	-							41,546,000			Nil	41,546,000
Government Secondary Koyeima	-	70,250,000				2,105,000					Nil	72,355,000

Payments without Supporting Doc.	-				2,230,000		Nil	2,230,000
Baoma Secondary School	-	70,820,000		7,400,000			Nil	78,220,000
Payments without Supporting Doc.	-				3,998,000		Nil	3,998,000
Government Secondary Kenema	-	67,605,000					Nil	67,605,000.00
Holy Trinity Secondary School (SSS) Kenema	-	28,700,000					Nil	28,700,000.00
Receipts Not available	-				28,500,000		Nil	28,500,000
Payments without Supporting Doc.	-				22,571,200		Nil	22,571,200
College Secondary School, Kenema	-	11,543,500	6,032,119			1,818,765	Nil	19,394,384
Payments without Payment Vouchers	-				44,000,000		Nil	44,000,000
United Methodist Church Sec. Sch	-					6,170,733	Nil	6,170,733
Fluctuation in salaries	-		28,307,900		9,549,928		Nil	9,549,928
TOTAL		1,162,318,018	28,307,900	90,400,000	398,207,769	7,989,498		1,687,223,185

STATEMENT OF THE FINANCIAL ASSETS AND LIABILITIES OF THE CONSOLIDATED FUND

as at 31st December 2009

In millions of Leones

2009

2008

CONSOLIDATED FUND ASSETS**CASH AND BANK BALANCES**

Cash and Bank Balances with the Central Bank	327,920	379,875
Cash and Bank Balances with Commercial Banks	110,112	70,501
	438,032	450,376

LOANS AND ADVANCES

Staff Loans and Advances	1,154	758
Debtors - Privatisation	3,488	3,043
Miscellaneous Debtors	194,572	146,998
	199,214	150,799

INVESTMENTS

Multilateral Agencies	50,886	39,896
Public Enterprises	99,374	99,373
	150,261	139,269

Total Consolidated Fund Assets	787,507	740,444
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CONSOLIDATED FUND LIABILITIES

SHORT TERM	2009	2010
Domestic Suppliers Arrears	99,230	41,523
Other Creditors and Accrued Charges	1,119	1,030

Domestic Public Debt	583,320	569,165
Special Marketable Securities	132,500	100,000
Deferred Interest	38,662	32,939
	854,830	744,657

LONG TERM

Non-Marketable, Non-Interest Bearing Securities held by the Bank of Sierra Leone	243,733	406,233
Creditors	0	127,890
5 Year Bond	180,000	50,000
External Public Debt	1,909,856	1,415,052
	2,333,589	1,999,175

Total Consolidated Fund Liabilities	3,188,419	2,743,832
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NET CONSOLIDATED FUND LIABILITIES	2,400,912	2,003,388
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Attributable to

GENERAL REVENUE BALANCE

Balance at beginning of year	2,003,388	1,526,091
Prior Year Adjustments	(144,524)	20,171
Restated Balance	1,858,863	1,546,262
	-	-
Special Funds	51,555	125,185
Foreign Exchange Loss written off	296,957	178,416
Bad debt written off	-	-
Debt Relief	-	-
Net Movement - Subvented Agencies & Project PIUs	238,384	170,674
Net (Surplus)/Deficit for the period	(44,848)	(17,149)
Balance at end of year	2,400,912	2,003,388

OPERATING EXPENSES

Wages, Salaries and Employee Benefits	398,947	399,585	(638)	331,573
Non-Salary, Non-Interest Recurrent Expenditure	459,960	497,740	(37,780)	373,177
o/w Grants to Educational Institutions	38,914	42,754	(3,840)	29,188
Transfers to the Road Fund	56,162	48,621	7,541	46,202

Transfers to Local Councils	60,069	58,113	1,956	38,369
Domestic Development Expenditures	80,786	104,349	(23,563)	73,384
Total Operating Expenses	939,693	1,001,673	(61,980)	778,134

Surplus/(Deficit) from Operating Activities	309,263	173,281	(135,982)	136,871
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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31st December 2009

In millions of Leones

	2009			
	Original Budget	Actual	Variance	Actual
Finance Costs	-140,499	(102,089)	38,410	(119,495)
Domestic Interest	-127,632	(88,803)	38,829	(107,941)
Foreign Interest	-12,867	(13,285)	-418	(11,554)
Arrears Payments	(33,144)	(26,344)	6,800	(230)
Wages Arrears	(2,635)	(5,754)	-3,119	(230)
Parastatal Arrears	(2,900)	(600)	2,300	-
Domestic Arrears	(27,609)	(19,991)	7,618	-

Total Non-Operating Revenue/(Expenses)	(173,643)	(128,433)	45,210	(119,725)
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Net Surplus/(Deficit) for the period	135,620	44,848	(90,772)	17,149
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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31st December 2009

In millions of Leones

	2009		2008	
	Original Budget	Actual	Variance	Actual

OPERATING REVENUE

Domestic Revenue Collection

Income Tax	230,815	212,010	(18,805)	195,531
Customs and Excise	402,655	418,190	15,535	362,947
Mineral Resources	29,247	20,162	(9,085)	18,545
Fisheries	5,742	8,742	3,000	4,846
Other Departments	98,440	52,309	(46,131)	33,429
Road User Charges	56,162	48,621	(7,541)	46,202
Total Domestic Revenue	823,061	760,034	(63,027)	661,500

**Other Revenue (Direct Grant
Budgetary Support)**

HIPC Debt Relief Assistance	12,810	15,893	3,083	13,374
Other Grants Received	413,085	328,693	(84,392)	118,536
MDRI Fund Transfer	-	58,856	58,856	121,594
Petroleum Strategic Fund Transfer	-	11,478	11,478	-
Total Other Revenue	425,895	414,920	(10,975)	253,504

Total Operating Revenue **1,248,956,174,954** **(74,002)** **915,005**

CASH FLOW STATEMENT

**during the financial year ended 31st December
2009**

In millions of Leones

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) from ordinary activities	44,848	17,149
Non-cash movements		
Decrease/(increase) in Miscellaneous Debtors	(2,164)	(637)
Increase/(decrease) in Domestic Suppliers Arrears	(24,199)	(19,296)
Increase/(decrease) in Other Creditors and Accrued Charges	-	(1,585)
Net Movement - Subvented Agencies & Project PIUs	(238,384)	(170,674)
Net cash flows from operating activities	(219,900)	(175,044)

CASH FLOWS FROM INVESTING ACTIVITIES

Net Increase in staff loans and advances	(396)	(306)
Privatization Receipts	294	(149)
Net cash flows from investing activities	(102)	(455)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from external borrowings	-	217,348
Repayment of external borrowings	245,900	(26,287)
Net increase in domestic borrowing	14,155	9,352
Prior year adjustment	(842)	-
MDRI Relief Income and Strategic Petroleum Fund	(51,555)	(125,185)
Net cash flows from financing activities	207,658	75,228

Net increase/(decrease) in cash and cash equivalents	(12,343)	(100,271)
Cash & cash equivalents at beginning of the year	450,375	550,646
Cash and cash equivalents at end of the year	438,032	450,374

Cash and cash equivalents

as at 31st December 2009

In millions of Leones

	2009	2008	Change
Cash and Balances with the Central Bank	327,920	379,874	(51,954)

Cash and Balances with Commercial Banks	110,112	70,501	39,611
	438,032	450,375	(12,344)
