



**AUDIT SERVICE SIERRA LEONE**

**AUDITOR GENERAL'S REPORT ON THE ACTIVITIES OF**

**OVERSEAS MISSIONS AND HIGH COMMISSIONS**

**FOR THE PERIOD 1<sup>ST</sup> JANUARY 2003 TO 31<sup>ST</sup> DECEMBER 2010**



## **AUDIT SERVICE SIERRA LEONE**

Honourable V. Chukuma Johnson  
Chairman, Public Accounts Committee  
Sierra Leone House of Parliament  
Tower Hill  
Freetown

Your Honourable,

I am required by Section 119(2) of the 1991 Constitution to audit all public offices established by an Act of Parliament or Statutory Instrument and submit my report thereon to Parliament.

I therefore have the pleasure and honour to submit a detailed Report on the audit of some of Sierra Leone's Overseas Missions and High Commissions for the period 1<sup>st</sup> January, 2003 - 31 December, 2010.

Yours Faithfully

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Lara Taylor-Pearce (Mrs)

**AG. AUDITOR GENERAL**

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## **LIST OF ACRONYMS**

|        |   |
|--------|---|
| ASSL   | - Audit Service Sierra Leone                                |
| FMR    | - Financial Management Regulations                          |
| GOSL   | - Government of Sierra Leone                                |
| VSL    | - Vote Service Ledger                                       |
| CRF    | - Consolidated Revenue Fund                                 |
| AGD    | - Accountant General's Department                           |
| NRA    | - National Revenue Authority                                |
| NASSIT | - National Social Security and Insurance Trust              |
| MOFED  | - Ministry of Finance and Economic Development              |
| MFAIC  | - Ministry of Foreign Affairs and International Cooperation |
| HOC    | - Head of Chancery  |
| MDA    | - Ministries, Departments & Agencies                        |

## 1. Accounting System and Records

It was observed that during the period August to October 2009, there was no compliance with the FMR 2007. Pre-numbered Payment Vouchers sent from the Accountant General Department were given hand written numbers. The serial numbers on these vouchers were totally ignored. Payment Voucher Books were not available in the High Commission even though requests had been made to the Accountant General for these documents. Bank Reconciliation Statements were not prepared. A fully manual system was in place which made the review of documentation very cumbersome. The system in use was not documented in any way. The knowledge and skills of the Financial Attaché during the period August, 2004 to October, 2009 were not up to the required standard. He was unaware of the current GBAA 2005 and FMR, 2007 being used in the Financial Management System of Government. It was therefore difficult to retrieve pertinent documents without having to refer to the previous Financial Attaché who had retired from the Service in October, 2009.

It was however recommended that the Accountant General should be more involved in the Financial Management of the High Commission. Furthermore, even though a new Financial Attaché was in post, regular updates must be conveyed to this staff to ensure that he was always au fait with the current financial rules and regulations of the Government of Sierra Leone.

In addition we advised that with immediate effect, proper Bank Reconciliation Statements should be prepared on a monthly basis and approved by the Head of Chancery, and that the current system in place should be documented by the High Commission to give a guide as to how the system should be operating in relation to the GBAA, 2005 and the FMR, 2007.

***In her reply the HOC stated that the identified problems and/or procedures had been corrected. She pointed out that such a practice was primarily due to a limited and dated understanding of relevant and applicable GoSL financial regulations, on the part of the former long-term accountant, who was just an Accounting Clerk posted to the Mission in the early 1980's. Consequently the said accountant devised a consistent and simple system of checks and balances which he utilized and evolved over his two decades in the position.***

***She also noted that the office was forced to hurriedly move twice, to two different locations, within a few years. As a result numerous pertinent documents were inadvertently misplaced***

***and/or lost adding that the office was in the process of creating an extensive document database, with electronic backups, so as to avoid a re-occurrence of that problem.***

## **2. Consular Fees**

The major source of income of the High Commission on behalf of the Government of Sierra Leone was payment for visas, and other consular services such as Emergency Travelling Certificates. Most of the Consular Fees received during the period under review were not promptly paid into the Consolidated Fund. During the period under review, a total, excluding opening balance in the accounts, of £1,901,890.18, was paid into the Barclays Bank Hanover Branch Account as receipts for Consular Fees and a total of £1,994,978.97 was spent on various activities. Evidence produced revealed that only an amount of £71,000 was paid over to the Government of Sierra Leone in November, 2009.

In February, 2007, the High Commission issued a circular advising all applicants for visa and other consular services that as at that date, no cash payments would be accepted for Visa Fees. All Visa Fees should be paid directly into the Consular Bank Account. Comparative tests carried out on receipts for Visa Fees into the Bank Account, revealed that during the period February, 2007 to 2009, more amounts were paid into the bank accounts for similar periods than for earlier years (August 2004 to December 2006) when fees were being paid by cash to the High Commission and the latter was responsible for paying such monies into the Bank Account.

It was observed that Consular Fees were being used to carry out the activities of the High Commission, without the prior written approval of the Minister of Finance and the Ministry of Foreign Affairs and International Cooperation. During the period under review, our sample tests revealed that amounts were utilized from Consular Fees for various expenditures ranging from medical expenses, repairs and maintenance, petty cash expenses, payment for telephone and other utility bills.

We therefore advised that it was imperative that mechanisms should be urgently put in place by the Ministry of Finance to ensure that the bank account opened specifically for the payment of consular income was not easily accessible to the High Commission's staff. Also, in the event that there is the urgent and pressing need for funds to be used, this must only be done on the written authority of the Ministry of Finance, the Ministry of Foreign Affairs and International Cooperation and the Accountant General.

***The HOC in her response explained the following;***

- ▶ *That Prior to the High Commission's unilateral decision in February 2007, to no longer accept cash payments for Visa Fees, cash payments were indeed received at the High Commission of which such payments were deposited into a Visa Fees account at regular, sporadic intervals of one week or at times beyond and that these deposits, and the entire process itself, were subject to internal reconciliation, which led to a delay in eventually making deposits to the Consolidated Fund.*
- ▶ *The High Commission's unilateral decision in February 2007, to no longer accept cash payments for Visa Fees, was a direct positive move to increase financial benefits accrued to GoSL, and to limit the shortfall referred to in this finding.*
- ▶ *The High Commission operated in an arena where increasingly, timely financial commitments had to be made and or adhered to, so as to avoid serious embarrassment and/or financial cost to GoSL and that nearly all of the High Commission's expenditure was taken from the Mission's Current Accounts. However, due to limited quarterly and timely allocations, in some instances the High Commission was forced to revert to the consular fees to meet immediate pending, and at times unexpected obligations, and thus avoid serious embarrassment and/or escalating costs to GoSL. At such instances, she said, the High Commission immediately contacted the Ministries of Finance and Foreign Affairs and International Cooperation for approval and that unfortunately, as in most instances in the past, a response was not received.*

### 3. Fixed Assets

It was observed that all items purchased and categorized as furniture and equipment or building were not recorded in any Master Inventory or Fixed Assets Register. There was also no evidence of checks being done to ensure that items in various locations used by the High Commission were intact. Items in all residences and Chancery Office were not marked signifying ownership by the High Commission.

We recommended the following;

- ▶ A Fixed Assets Register as per the Financial Management Regulation should be developed as soon as possible;
- ▶ The Head of Chancery must ensure that the location and state of the High Commission's assets were to be checked on a regular basis. Evidence of such checks must be documented; and
- ▶ Proper identification marks must be affixed on all Fixed Assets owned by the High Commission, with immediate effect.

***In her reply, the HOC informed the ASSL that the High Commission was in the process of creating a comprehensive register of assets for store verification, in accordance with the Ministry of Foreign Affairs and International Cooperation. In addition, the HOC said that, periodic accounting and assessment of such property currently took place and that all items were in the process of being affixed with markings, and logged accordingly.***

#### **4. Staff matters**

Human resource issues are an integral part of any organizational system. For the system to be functioning in the most efficient manner and in ensuring value for money, laid down procedures should be followed. The High Commission is being staffed by both Diplomatic Staff, who are part of the regular Civil Service of Sierra Leone, and local staff who are employed directly in the United Kingdom. A review of the personal files of local staff of the High Commission revealed the following:

- ▶ There was no written down policy guiding the terms and conditions of service of local staff employed by the High Commission;
- ▶ Out of the then eighteen (18) local staff, only four (4) of them had employment letters in their files;
- ▶ No record of incremental letters was seen in the files of these staff;
- ▶ Promotion letters were not found in any of the personal files;
- ▶ The procedure for the recruitment of local staff was not found in any of the files. No evidence of interviews was seen or authority from the Ministry of /foreign Affairs for their employment was found in any personal file, with the exception of the most recent employee, a Security Officer;
- ▶ Even though the amount to be paid to each local staff should be as per payroll sent from the Accountant General on a monthly basis, an amount of between £120 and £170 was being paid as Travelling Allowance on a monthly basis to each local staff up till November, 2009;
- ▶ There was no evidence of receipt of salaries of staff working in the residences of diplomatic staff. Such salaries were received on their behalf without any written authority; and
- ▶ It was observed that some diplomatic staff had been in post for more than four years even though the policy for postings clearly stated that diplomatic staff were only entitled to serve a term of two years in one position.

It was therefore recommended that:

- ▶ A Staff policy should be developed and circulated to all staff as soon as possible, to guide the dealings of such staff in the future;
- ▶ The Two-year term limit for diplomatic staff be adhered to by the Ministry of Foreign Affairs and International Cooperation to usher in fresh ideas into the High Commission, on a regular basis;

- ▶ All local staff should be recruited through a proper recruitment process and such procedures should be developed as soon as possible to guide future recruitment of local staff;
- ▶ No funds should be paid to any staff except those approved by the MFAIC and the MOFED;
- ▶ The Authority for the receipt of salaries on behalf of domestic staff during the period under review should be produced with immediate effect, or such monies refunded to the Consolidated Fund, if such authority cannot be produced; and
- ▶ With immediate effect, all staff, be they domestic or office staff should sign for salaries when received, and evidence of such receipt be maintained in the finance section of the High Commission.

***The HOC in her response explained the following:***

- ▶ ***That it should be noted that the four were the most recent employees, and that it was possible that such documentation might have been inadvertently misplaced.***
- ▶ ***That the issuance of “incremental letters” was not applicable to local staff.***
- ▶ ***That all such personnel matters were being addressed and corrected in accordance with recommendations in the Management and Functional Review of the Ministry of Foreign Affairs. That the issue relating to payroll had being corrected.***
- ▶ ***That salaries of staff working in the residences of diplomatic staff were signed for and collected by their principals, the High Commissioner and Deputy High Commissioner.***
- ▶ ***That the issue of the long stay of diplomatic staff was strictly under the purview, and as such the discretion of the headquarters of the Ministry of Foreign Affairs and International Cooperation.***

## **5. IDD Telephone usage**

Even though a circular had been issued by the Government specifying how IDD calls in particular should be accounted for as far back as 22<sup>nd</sup> June, 2000, there was no evidence that the process had been followed by the High Commission. It was also noted that huge amounts were being spent on telephone bills which if continued might become unsustainable. Amounts incurred during the period under review totaled £64,752.88.

It was recommended that, with immediate effect, steps were to be taken to ensure that all IDD telephone calls were monitored and recorded using the recommended format for authorizing and monitoring all IDD calls.

***The HOC stated that it was extremely difficult for her to control the use of IDD by either the High Commissioner and/or the Deputy. She added that IDD phones were located in the respective private residences of the High Commissioner and the Deputy and that despite this, the High Commission had made a conscious, and very successful attempt to limit cost by the increased usage of fixed cost calling cards.***

## **6. Residences and Chancery office**

Some repair work was done on the Government owned properties in London; though there was still much more to be done. The majority of these repairs had been done by just one contractor over the period under review. The contracts for repair works done were not drawn up as per the National Public Procurement rules and regulations. The terms and conditions of the contract only appeared to be one sided on the part of the contractor. The obligations of the High Commission for certifying and inspecting before payments were to be made did not form part of the contracts. No certification was done by an independent person or a member of staff of the High Commission to confirm that repair works done were as required, before payments were made. Payments for these repairs were made from Consular Fees. Except in 2010, such payments from that source were not authorized by the Ministry of Finance and the Ministry of Foreign Affairs and International Cooperation. As earlier mentioned, there was still a lot of work to be done on the Government properties to bring them up to the basic standards befitting the Country's High Commission.

Against that background, we recommended that:

- ▶ As of then, all contracts should be drawn up using the National Public Procurement format as a guide;
- ▶ All major construction work or repairs should be certified before payments were made;
- ▶ Written authority from the Ministry of Finance must be received to utilize Consular Fees for any expenditure whatsoever;
- ▶ The Government of Sierra Leone through the Ministry of Finance should cause additional funding to be provided for the upkeep of their properties abroad; and
- ▶ An independent expert from the Ministry of Works should be asked to give a general review of the state of the Government properties owned in London and advise the way forward in bringing them up to the required standard.

**The HOC in her response stated the following:**

- ▶ ***That she agreed that in future she would follow the National Public Procurement format as a guide***
- ▶ ***That it was extremely difficult to identify vendors that were willing to engage in transactions with the High Commission on an ongoing basis, given late and sporadic payments, and the inability to pay in advance for services, as vendors often require.***
- ▶ ***That as indicated above, the High Commission often found itself operating from a point of weakness, given late and sporadic payment, and the inability to pay in advance for services, as vendors often required and as such they were often compelled to accept terms of engagement they otherwise would have declined.***
- ▶ ***That, the High Commission operated in an arena where increasingly, timely financial commitments had to be made and/ or adhered to, so as to avoid serious embarrassment and/ or financial cost to GoSL and that in many instances the High Commission was forced to revert to consular fees to meet immediately pending, and at times unexpected, obligations, and thus avoid serious embarrassment and/ or escalating costs to GoSL .She said at such instances the High Commission immediately informed the respective GoSL parties (the Ministry of Finance and the Ministry of Foreign Affairs and International Cooperation) for approval. Unfortunately, in most instances in the past, a response was not received.***
- ▶ ***That the consultation of an independent expert from the Ministry of Works would be adhered to.***

## **7. Use of pooled (utility) vehicles**

As at date, the Sierra Leone High Commission in London did not have any laid down Vehicle Use policy nor was it implementing the policy in the FMR, 2007. Vehicle Log Books were not in use. There was no laid down policy on fuel expenses and usage in place. Vehicles were parked at the drivers' premises at the end of the working day.

We highly recommended that:

- ▶ Steps should be taken to find alternative parking for official pooled vehicles at the end of the working day.

- ▶ The institution of these recommendations should ensure proper monitoring systems that would not only guide the High Commission when budgeting for vehicle expenses in the future, but also ensure accountability in the management of these vehicles.

***In her response, the HOC informed the ASSL that the High Commission was in the process of devising vehicle maintenance and monitoring policy, which entailed the use of a log book. In addition, she said, the High Commission finds it most prudent to permit drivers to park vehicles at their residences, given the frequency of very early, as well as very late, assignments for airport courtesies for visiting GoSL officials, and the like. Parking vehicles at the office, she said would result in substantial additional financial cost for the security of the vehicles, as well as enabling the drivers to collect the vehicles in a timely manner, for the frequent very early, and also late, assignments.***

## **8. Remittances to the High Commission**

It was noted that remittances for Personal Emoluments and Other Charges expenditure continued to reach the High Commission's bank account. However, such remittances were not received in a timely manner. This resulted in revenue held on behalf of the Government of Sierra Leone, such as Consular Fees, being used to meet very pressing expenses such as payment for the mortgage of property held, vehicle insurance and salaries and wages that were time bound.

It was also observed that whilst the actual quarterly expenses of the High Commission were in the region of over £80,000 per quarter, remittances for other charges on a quarterly basis were on an average of under £30,000. This disparity in the expenditure levels as against the actual approved income of the High Commission has to be thoroughly looked into. The Sierra Leone High Commission in London is a very busy office with huge expenditure for basic running costs. The Minister of Finance should consider options that can be instituted to enable the High Commission meet its commitments with the appropriate approval for expenditure. One such option is an increase in the quarterly allocation of the Commission. Another is giving the requisite approval for an agreed portion of Consular Fees to be used to meet huge pressing expenditure such as the payment for the mortgage of the High Commission's offices, payment of insurance for official vehicles, and urgent unforeseen expenditure that are incurred during the visit of H.E the President to the United Kingdom.

## **9. Cash payments**

During the course of our audit work, it was observed that significant amounts were paid out in cash. Such payments included those made to contractors. Others were salaries, wages and petty cash expenditures. This is most inappropriate. Limits should be set for what can be paid for in cash.

All major expenditure such as stationery, major repairs and maintenance, salaries and wages, travelling etc, should be made using the cheque system. This would ensure that the use of Government funds can be easily and readily monitored, and accountability for such funds would be assured.

***In her reply the HOC said that salaries were no longer paid in cash, rather, by direct bank transfers. In most, instances the said, cash payments were resorted to due to the usually late manner in which the High Commission was compelled to satisfy its financial obligations. At such points vendors refused cheque payments and demanded cash payments, adding that within the financial system the High Commission operated, there was a concerted move away from cheque payments towards cash payments.***

## **10. Back Up System**

It was noted that there was no back up system for the current Excel System in place in the High Commission's Finance Department.

We therefore urged that a backup system be speedily organized for a daily back up of the financial and other relevant records of the High Commission, to ensure that in the event of a system problem, all relevant records would be secure.

***The HOC advised the ASSL that a back up system had since been in operation.***

## **11. Outstanding matters**

The following were observed;

- ▶ Although some form of a Cash Book was maintained for the period under review, it was still not up to the required standard.
- ▶ For the period August, 2004 to January, 2007, it was not possible to ascertain whether the cash receipts of Consular Fees were complete due to the unavailability of Receipt Books during that period. Tests carried out on the available Receipt Books as against the Bank Statements revealed

numerous differences with amounts classified as receipts in the Bank Statements greater than what was checked as per available Receipt Books.

- ▶ The situation remained the same as no Bank Reconciliation Statements were prepared for the period under review.
- ▶ For the period August, 2004 to January, 2007 some temporary Receipt Books were still used. It was difficult to ascertain the completeness of such receipt books.
- ▶ The practice of wages being paid out of Consular Fees was still ongoing until October, 2009
- ▶ The record keeping during the period August, 2004 to October, 2009 made it difficult to retrieve documents for inspection and the situation remained the same.
- ▶ The recommendation for the use of Log Sheets for telephone calls as advised by the Secretary to the President as per a memorandum issued in June, 2000 has still not been implemented.
- ▶ Payments were still being made out of Consular Fees without the written authority of the Minister of Finance.
- ▶ The explanation given by the previous Head of Chancery in respect of the use of Consular Fees for the rehabilitation of the High Commission's property was noted. However this practice of using funds from Consular Fees without any explicit permission from the Minister of Finance was quite common during the period August, 2004 to March, 2010. It was only in April, 2010 that some form of authority was given in writing by the Director General, Ministry of Foreign Affairs and International Cooperation for sums of money from Consular fees to be used for specific purposes. Albeit no authority was conveyed by the Minister of Finance.
- ▶ New items purchased, worth £5,496.46 were not taken on ledger charge and a Fixed Assets Register was not maintained.

## 1. Poor Financial Performance

A VSL was not maintained even though a computerized system of Commitment Control had not been adopted by the embassy. Quarterly expenditures were not planned as monies were spent on an adhoc basis. A Cash Book was not maintained and Bank Reconciliations were not carried out.

We highly recommended that the Vote Controller should provide an explanation as to why the Mission had never operated a VSL or computerized system. He was also to explain the basis on which he had been preparing the financial returns to the Ministry of Foreign Affairs and International Cooperation.

We recommended further that the VSL or its equivalent in computerized accounting system, be put in place immediately upon the approval of the Accountant General and this office be informed of such an action.

*The HOC in his response stated that there was no professionally trained accountant from the AGD working in the Embassy as in other counterpart institutions. He added that he combined his duties as Vote Controller with that of accounting and book keeping. Furthermore he said, with such a situation, there was bound to be lapses in the administration of accounting methods which was going to be rectified.*

*The HOC also noted the observation of the ASSL as regards considering the management system and that the Head Office intended to deploy a professionally trained accountant from the AGD to fill in the gaps.*

*On the issue of VSLs, the HOC informed the ASSL that for a long period of time, VSLs had not been available in the Embassy which had resorted to other forms of accounting and transparency. He stressed that efforts had been made to get supplies of the VSL from the AGD in order to operate in line with regulations and ASSL's recommendations pertaining to a computerized system in lieu of the VSL.*

## 2. Financial Management Reports

There were no records to indicate that quarterly financial returns were prepared and sent to the Accountant General. In addition, the Financial Reporting Templates were not used by the embassy. This was in violation of the instruction of the Accountant General in a circular referenced AGD/RC/FA/10/06 of 19<sup>th</sup> May, 2010.

It was therefore recommended that the Mission should provide evidence that they had been adhering to that directive, or provide an explanation for the deviation. It was also recommended that the Mission should provide this office with copies of its financial reports for six months.

### 3. Misuse of Credit Cards

Payments for Credit Cards were not supported by receipts.

It was recommended that the receipts for every transaction on a credit card statement should be attached to the statement before payments were made.

*The HOC noted the ASSL's observations and recommendations and also promised to take necessary action to improve the receipting system of credit cards.*

### 4. Unauthorised Payment

In August, 2008, an amount of \$5,000.00 was paid out of the Other Charges Vote, to Ambassador Turay on the death of his mother, without authority from either the Ministry of Foreign Affairs and International Cooperation or the Ministry of Finance.

We recommended that the necessary authority for that expenditure should be provided for verification; otherwise the Accountant General should ensure that the former Ambassador refunds the sum of \$5,000.00 into the CRF and provide evidence of the refund to this office for verification.

*The HOC stated in his response that in the case of an Ambassador and a representative of His Excellency the President, it was prudent to offer something higher than the cost of an Economy Class Air Ticket which was plausibly the case for former Ambassador Turay.*

### 5. Expenditure on welcoming a new Ambassador

It was observed that the sum of \$10,550.00 was spent to welcome the new Ambassador in October, 2010. Further examination of supporting documents revealed that expenditures totalling \$789.00 did not relate to the event for which the amount was withdrawn. Responding, the Head of Chancery (HOC) wrote: "During occasions, all Missions are bound to present gifts to institutions, organisations and fellow diplomats at the expense of the institution which you serve". It was also noted that Medical Bills for the outgoing HOC was included in the expenditure.

We recommended that the Mission should give a breakdown of the amount per type of expenditure. For instance the following expenditure headings can be used if applicable:

- ▶ Vehicle Hire;
- ▶ Entertainment;
- ▶ Gifts for Incoming Ambassador; and
- ▶ Gifts for Others(which should include the \$789.00)

We advised that the Mission should explain how the above items were distributed (i.e how many Diplomats benefited from these gifts).

*The HOC stated that necessary action will be taken on the recommendations of the ASSL to give a more comprehensive account of the expenditure incurred. The financial documents requested and outlined by ASSL will be solicited and produced for a more compressive report, he added.*

## 6. Late payment of salary

Salaries were paid a week or sometimes two after their due date of the end of the month.

We advised that the Accountant General should transfer funds for the payment of salaries as early as possible in the month, to enable the Mission to meet its salary obligations at the end of the month.

*The HOC noted the observation of ASSL but however stressed that recently, Government had been remitting salaries and emoluments on a timely basis thereby resolving the problem.*

## 7. Payment of staff salary in cash

Salary payments to all Local Staff, except for one staff, were withdrawn from bank and paid by cash

It was recommended that all salaries of members of staff should be paid directly into their individual bank accounts through bank transfers.

*In his response, the HOC informed the ASSL that the preconditions for opening a personal account was tedious in the Russian Federation, especially if requests were to be submitted to open personal accounts for a sizeable number of employees in an Embassy. In addition the HOC stated that it was preferable to maintain the status quo for administrative and disciplinary reasons such as abandonment of work by an employee while he or she continued collecting salaries.*

## 8. Unclaimed salaries not brought to account

Unclaimed salaries, totalling \$38,160.00, were not paid back into the Consolidated Revenue nor was there evidence that these monies were later paid to the beneficiaries. Details are given below:

| Name              | Period (s)            | Amount<br>\$     | Comments   |
|-------------------|-----------------------|------------------|--|
| Ibrahim Sowe      | April 2009            | 1,400.00         | Salary Voucher not signed and no Authority to collect on his/her behalf. |
| Ekatrina Ivanovna | April 2009            | 1,000.00         | “ “ “  |
| Hawanatu Rahim    | June 2009 – June 2010 | 21,560.00        | “ “ “  |
| Sado Bah          | June 2009-May 2010    | 14,200.00        | “ “ “  |
|                   | <b>Total</b>          | <b>38,160.00</b> |  |

We recommended that the amount of \$38,160.00 or its equivalent in Leones at the time of refund be paid back into the CRF by the Vote Controller and a paying-in slip forwarded to this office for verification, except a contra evidence could be produced.

***The HOC noted the observations of the ASSL and promised to take necessary action.***

#### **9. Incorrect staff records**

The following were observed:

- ▶ The information contained in some staff personal Files did not match with conditions that were in practice in the embassy. Salary Scales in Personal Files were at variance with those on the paid Salary Vouchers;
- ▶ The Mission's principle of offering employment to Local Staff subject to a satisfactory completion of a probationary period was ignored. A Local Staff, appointed on 23<sup>rd</sup> October, 2008 with six months probation starting 3<sup>rd</sup> November, 2008 was not confirmed. It was however observed that this staff collected and signed for her salary from the end of November, 2008 to August, 2009; and
- ▶ The name of the HOC (Mr. Ibrahim Kondoh) was omitted from the Salary Voucher for September, 2010 with no explanation from either the Accountant General or the Ministry of Foreign Affairs and International Cooperation.

It was therefore recommended that:

- ▶ all current Staff Files should be reviewed and amended correctly to reflect their current realities;
- ▶ the good practice of probation and confirmation should thereafter be continued;
- ▶ a copy of the Conditions of Service for Local Staff should be made available to this office for verification; and
- ▶ the Accountant General and the Ministry of Foreign Affairs and International Cooperation should provide an explanation for the withholding of Mr. Ibrahim Kondoh's September, 2010 salary.

***The HOC noted the concerns of the ASSL and stated that measures had been put in place in correcting the files of all members of staff.***

***On the issue of non payment of salaries to Mr Ibrahim Kondoh for the month of September 2010 whilst he was still in post, the HOC said that it had been brought to the attention of the MFAIC for necessary action.***

#### **10. Employment of a staff previously terminated.**

A driver, employed in May, 2009 was terminated, re-employed in the same year, terminated and re-employed again in April, 2010. It was further observed that when his services were terminated the first time, he made claims against the embassy for Termination Benefits.

It was highly recommended that the Mission should not state in its appointment letters what it was not prepared to implement and it should ensure that all staff contracts were clear and in agreement with the laws of the land, to avoid future possible claims by dissatisfied or disgruntled employees.

***The HOC replied, saying that the concerns have been duly noted and the services of the driver terminated.***

#### **11. Location of Embassy**

It was observed with utter disgust, that the embassy was housed on the ground floor of a 19<sup>th</sup> floor Social Housing Estate with no in-built heating system.

Our recommendation was that the Ambassador and Minister of Foreign Affairs and International Cooperation should take appropriate steps to relocate the embassy to somewhere more dignified.

***The HOC stated that his Excellency the Ambassador had brought the matter to the attention of Government and consideration was being given to the request regarding relocation of the Residence Chancery to the town centre, at a premise befitting the diplomatic status of the country.***

#### **12. Rent arrears**

Outstanding rents, in respect of the former office and residence of the Ambassador for the period 1986-1999, totalled \$1,122,819.52; apart from the current office accommodation and Ambassador's Residence.

It was recommended that the Mission should bring the matter to the attention of both the Ministry of Foreign Affairs and International Cooperation and the Ministry of Finance and Economic Development, if they have not already done so. It was further recommended that the Mission should try and secure, in writing, the assurance that the total debt had been cancelled or written-off by GlavUpDK.

***The HOC said that Government was aware of this age old problem and that the premise in question which was incurred at that period was vacated and the Residence relocated to its present environment. The issue was unlikely to come up since it was no longer being mentioned in the debts being quoted, he added.***

#### **13. Non payment of rent by a former Ambassador**

A former Ambassador received her monthly salary (including her Rent Allowance) but failed to pay her landlord (GlavUpDK) the sum of \$58,595.04 as at 30<sup>th</sup> May, 2008. In spite of repeated requests by key personnel of the Ministry of Foreign Affairs and International Cooperation, the amount was not paid. Instead, the sum of \$20,000.00 was withdrawn from the Other Charges Account to pay part of this amount, as the matter was a constant embarrassment to the Embassy.

We highly recommended (except the Mission and/or former Ambassador can prove otherwise), that the Accountant General should recover the full amount of \$20,000.00 from the former Ambassador. An explanation was requested from the Mission as to how the balance of \$38,595.04 was to be settled.

***The HOC noted the observation of the ASSL and brought the issue to the attention of the MFAIC for necessary action.***

#### **14. Inventory Register**

An Assets Register was not maintained; only a list of assets was being maintained by the Embassy.

It was recommended that the assets of the Mission should be recorded as required by Section 231 of the Financial Management Regulations and evidence provided to the office for verification.

***The HOC in his response noted the gaps outlined by the ASSL and said that measures will be taken to replace the present system with a more systematic one.***

#### **15. Unauthorised payment for accommodation**

In spite of the fact that the First Secretary was entitled to a Rent Allowance covering everything to do with accommodation, an expenditure of \$1,500.00, was incurred by the First Secretary in securing accommodation. This amount was later refunded to him from the Other Charges Account, without approval from either the Ministry of Foreign Affairs and International Cooperation or the Ministry of Finance.

It was highly recommended that the Accountant General should recover from the First Secretary the full amount of \$1,500.00 and pay it into the CRF and provide this office with a copy of the paying-in slip for verification.

***\_\_\_\_\_The HOC said that the refund of \$1,500/00 to Mr. Henry Nyandemoh arose out of the exigencies of the service and expediency. He said in Moscow, the securing of housing for diplomatic staff was not an easy task and that Mr. Nyandemoh's arrival in Moscow before the availability of a suitable and affordable flat was unavoidable.***

***He further said that since Mr. Nyandemoh had become wearied of staying with someone else, for the privacy of his family unit, he had no alternative but to accept the offer by the Mission.***

#### **16. Unauthorised additional payment by a former Head of Chancery**

In June ,2008, the HOC in addition to his monthly Heating Allowance of \$383.33 appropriated to himself a further sum of \$791.71 for the payment of his Heating Allowance for Flat 308/309.

We highly recommended that the Accountant General should recover from the former HOC, the sum of \$791.71 and evidence provided to this office for verification.

*The HOC noted the audit observation and promised that the matter will be brought to the attention of the officer concerned.*

#### **17. Failure to bank Consular Fees**

Consular Fees were not banked but kept in the office, even though there was a bank account approved by the Accountant General. It was also observed that fees collected were being used for Other Charges expenditures.

It was highly recommended that the Vote Controller should provide an explanation as to why the provisions in Section 42 of the Financial Management Regulations were violated.

It was also recommended that, with immediate effect, whenever the Mission received money (whether for fees or otherwise), that money should be paid directly into the Mission's bank account. At the end of each Quarter, fees collected should be remitted to the CRF at the Bank of Sierra Leone.

*The HOC noted the observation of ASSL and further explained that the main problem the emanated from the regulation had to do with Other Charges that were often remitted in arrears almost retrospectively and that some utility services may be disconnected if payments were delayed causing embarrassment for the diplomatic status of the Embassy. He added that it was in view of this that borrowing was done from the fees and replenished and remitted when the anticipated money was received from Freetown. For reasons of exigencies of the service, it became difficult to strictly adhere to the provision, he concluded.*

#### **18. Failure to submit weekly report of Mission's activities**

In spite of a directive from the former Acting Director General, Ministry of Foreign Affairs and International Cooperation, of 15<sup>th</sup> October, 2008, the Embassy had never prepared and submitted Weekly Reports on its activities.

It was recommended that the Mission should provide an explanation for failing to produce the said Report. It was also recommended that, except the Ministry had instructed otherwise, the Weekly Activities Report should be produced weekly and copies sent to this office for verification, for the next two months.

*The HOC noted the audit observation and further stated that the Ministry had adopted a new model of report based on operational plans and performance contract which was being instituted.*

#### **19. Travel without ministerial clearance**

In spite of a memo dated 12<sup>th</sup> December, 2008 from the Minister of Foreign Affairs and International Cooperation, instructing all missions to seek clearance for official travels before embarking on them,

the former Ambassador and HOC made a visit to Kiev in December, 2009, without obtaining the necessary clearance. The total amount involved was \$5,360.00. Details are given below:

| No.          | Name                  | Air Fare<br>\$ | Per Diem<br>\$  | Total<br>\$     |
|--------------|-----------------------|----------------|-----------------|-----------------|
| 1.           | Ambassador S.M. Turay | 300.00         | 2,465.00        | 2,765.00        |
| 2.           | Ibrahim Kondoh        | 300.00         | 2,295.00        | 2,595.00        |
| <b>Total</b> |                       | <b>600.00</b>  | <b>4,760.00</b> | <b>5,360.00</b> |

We recommended that (except the Mission could provide evidence of the Ministerial Clearance for this travel), the Accountant General should recover the amount stated above from the officials concerned and evidence sent to this office for verification.

*In his response, the HOC explained that the visit by His Excellency the Ambassador and Officer before written permission may have arisen out of emergency and absolute necessity, especially bearing in mind the fact that Ukraine was one of the twenty-two countries to which His Excellency the Ambassador was accredited. Furthermore, he stated that it does happen sometimes that visits were made in such cases prior to the Honorable Minister's approval.*

**SIERRA LEONE EMBASSY, GERMANY FOR THE PERIOD 1<sup>ST</sup> JANUARY, 2004 - 31<sup>ST</sup> DECEMBER, 2010**

**1. Consular fees and other revenue collected not banked intact**

A review of Consular and Other Revenue documents disclosed that, for the period 2004-2008, fees were not banked intact.

It was recommended that the holding of cash be discouraged as all monies collected were to be banked promptly. The policy of payment direct to bank, considered as good practice, should be continued in order to minimise cash handling at the Chancery. Only paying-in – slips should be received as evidence of payment.

***The HOC stated that the Embassy accepted the finding on the handling of visa fees and the inherent risks contained therein, asserting that steps had been taken to correct this flaw by ensuring that all Consular fees were paid into an account established for that matter.***

**Cash expended from Visa and other fees**

It was noted from the analysis of documents presented, that monies received for Visa Fees and Other Revenues were expended for administrative purposes but no proper analysis was done for the expenditure in a Cash Analysis Book. There were only receipts for such expenditure from a sample obtained.

| <b>YEAR</b> | <b>REVENUE<br/>€</b> | <b>EXPENDITURE OUT OF REVENUE<br/>€</b> |
|-------------|----------------------|---|
| 2004        | 17,000               | 9,298                                   |
| 2005        | 18,697               | 4,958                                   |
| 2007        | 38,890               | 7,416                                   |

We requested an explanation why cash from revenue was used for administrative purposes without due approval from the relevant authorities. Also, in the event that cash was used, an analysis of the expenditure should have been given in a register noting such expenditure under various captions.

***The HOC noted that the Embassy regretted the finding on the expenditure of revenue collected on visa fees on administrative purposes without due approval from the appropriate authority.***

***However he said, he informed me that due to exigencies, it was thought expedient to expend such monies for and on behalf of the Government of Sierra Leone to save it from embarrassment at post. Meanwhile, the Embassy wanted to assure me that measures had been put in place to guarantee the proper keeping of records of all such expenditures.***

## **2. Cash Analysis Register not maintained**

It was observed that a Cash Analysis Register was maintained for the period of the audit up to September, 2004, after which it was stopped and only the analysis of Consular Fees was done for the Ministry of Foreign Affairs and International Cooperation's reporting purposes.

We therefore advised that an Analysis Register should be maintained where all streams of revenues would be reflected and reports can be easily obtained to facilitate the audit process.

***The HOC stated that the recommendation on maintaining a Cash Analysis Register (CAR) had been established for all its revenue and expenditure activities.***

## **3. Renunciation document not pre-numbered**

Renunciation Certificates issued to Sierra Leoneans relinquishing their citizenship were not pre-numbered.

It was therefore recommended that Certificates be treated as accountable documents and be printed with serial numbers to ensure that the issue and revenue collected can be monitored.

***In his reply, the HOC agreed with the accepted recommendation on treating Renunciation Certificates as accountable documents and had therefore ensured that all monies paid in respect of same were remitted to the bank account established for consular activities. However, he said, the Embassy wished to state that it cannot print pre numbered RCs (which is under the purview of the Government Printer) but would be appreciated if modalities could be put in place by the Ministry of Finance to correct this anomaly which was not unique to that Mission.***

## **4. Cash drawn not properly analysed**

It was observed that cash was drawn called Petty Cash for office expenditure; and even though receipts were obtained for expenses, the details of expenditure were not analysed.

The Embassy should introduce a Petty Cash Float system as recommended, whereby a Petty Cash Analysis Book can be maintained, with various expense captions, and reimbursed as and when necessary.

***The HOC informed the ASSL that immediately after the Auditor’s ‘Exit Conference’, a Petty Cash Analyses book was established and maintained to date.***

## **5 Stock Register not maintained**

It was observed, upon receipt of the accountable documents by the Embassy, including Visa Stickers, Emergency Certificates and Receipt Books from the NRA, that these documents were not recorded in a register from where they should be issued and signed for by recipients.

We strongly recommend that with immediate effect, an Accountable Documents Register should be maintained for all categories of documents and the serial numbers of the documents recorded. It should be ensured that recipients sign documents issued to them; this should also apply to Consular Officers.

***The HOC in his reply noted the Recommendation and informed the ASSL that accountable registers for all categories of documents had been established to ensure accountability and guarantee easy tracking of day-to-day transactions***

## **6. Cash Book not maintained**

It was observed that remittances expended were recorded and analysed in the Vote Service Ledger, but for various administrative expenditure from banked revenue stream, even though receipts and invoices were kept for referencing, no analysis was done for such expenses under their respective expenditure captions. Details are given below:

| <b>YEAR</b> | <b>SALARIES,WAGES&amp;ALLCE (€)</b> | <b>OTHER CHARGES<br/>(€)</b> | <b>SPECIAL<br/>(€)</b> |
|-------------|-------------------------------------|------------------------------|------------------------|
| 2004        | 223,789                             | 159,686                      | 30,989                 |
| 2005        | 230,220                             | 105,559                      | -                      |
| 2006        | 268,624                             | 112,065                      | 15,575                 |

|      |         |        |         |
|------|---------|--------|---------|
| 2007 | 330,723 | 24,227 | 6,605   |
| 2008 | 294,846 | 60,581 | 21,853  |
| 2009 | 343,393 | 99,691 | 110,000 |

It was highly recommended that a main Cash Book should be maintained to capture and analyse all expenditures under various captions to easily facilitate the preparation of a bank reconciliation.

***In his reply the HOC stated that the Embassy had complied with our recommendations and was effectively using the Vote Service Ledger to capture and analyse all expenditures undertaken for and on behalf of the Government of Sierra Leone.***

## 7. Non preparation of Bank Reconciliation Statement

It was observed that for the period under review, no reconciliation statement was prepared for bank accounts maintained. Details of the accounts maintained by the embassy are given below:

- ▶ Consular - Commerzbank - Account Number – 3171717,
- ▶ Salaries and Wages Account - Deutsche Bank - Account Number -0595116 00
- ▶ Other Charges Account at the Deutsche Bank - Account Number - 059511601.

A review of some correspondence indicated that a format for the preparation of returns was forwarded to the Embassy. Included in this was a format for the preparation of bank reconciliations which should have been used for the reconciliation of the undermentioned balances:

| ACCOUNT NAME              | ACCOUNT NUMBER | BANK BALANCES AS AT 31 <sup>ST</sup> DECEMBER 2009: (€) |
|---------------------------|----------------|---|
| Commerzbank-Consular      | 3171717        | 22,551.24   |
| Deutsche-Salaries & Wages | 059511600      | 51,191.33   |
| Deutsche-Other Charges    | 059511601      | 5,304.60  |

We recommended that, with immediate effect, the process of bank reconciliation should be effected for these bank accounts; and steps be taken by the Ministry of Foreign Affairs to guide staff of the embassy through the process.

***In his reply the HOC stated that the Embassy noted with great concern the above recommendation and wished to state that, it was still grappling with the difficulty of***

*professionally managing its finances in the absence of a professional accountant (request for this had been submitted to the accountant general through headquarters). However, he wished to assure me that reconciliations would be presented in a non professional manner that would adequately present a true picture of what obtained there.*

#### **8. Non-existence of Fixed Asset's Register**

It was observed that the Embassy did not maintain a comprehensive list for Fixed Assets in the form of a register. We had to rely on transactions in the VSL and individual inventory lists in various offices and the residence of the Ambassador and Head of Chancery. Also no asset marking existed on the items to clearly identify them as the Embassy's property.

It was highly recommended that a comprehensive list of Fixed Assets should be obtained and a Fixed Assets Register developed; electronic or manual, to include marks to identify all assets of the Embassy.

*The HOC stated that the Embassy was in the process of codifying its current assets inventory lists to a single Fixed Asset Register so as to keep and identify all bonafide assets of the Government of Sierra Leone.*

#### **9. Inadequate cross referencing of revenue receipts**

It was observed that documents were not adequately crossed referenced, making it extremely difficult and time consuming to relate visa stickers to receipts issued.

We recommended that a system be put in place for proper cross referencing of various documents, receipts to visa stickers and vice versa.

*The HOC noted the ASSL's recommendation and promised to take necessary action.*

#### **10. Payment Vouchers not pre-numbered**

It was observed that Payment Vouchers raised for expenditure were not pre- numbered.

It was therefore recommended that some form of numbering be introduced for the vouchers to facilitate the referencing of documents.

*The HOC told the ASSL that as soon as a professional accountant was posted to the mission, necessary action would be taken.*

## 11. Segregation of duties

It was observed that there was the lack of segregation of duties in the payment cycle, as some Payment Vouchers were either signed by the same person or, in some instances, columns provided for signatures were not completed.

It was strongly recommended that segregation of duties must strictly be adhered to and that, in future, Payment Vouchers must be completed before effecting payments.

***The HOC maintained that the Embassy noted the recommendation of the ASSL and promised to adhere to it.***

## 12. Determination of fees

From interviews, it was revealed that Visa and Emergency Certificate Fees were set by the Immigration Department, and in the case of other revenue streams like Endorsements and Renunciation, fees were set by the Embassy. However, no document was seen regarding the approval for these fees levied.

Also, it was noted that the Tariffs for these services performed were not displayed in a conspicuous location in the Embassy.

It was recommended that the Head of Chancery should take steps to get approval from the relevant authority for the fees, so that they would be consistently applied across other embassies, as may be applicable. Tariffs should also be displayed for the public to be aware of the existing rates.

***The HOC stated that as the situation was not unique to the Embassy, he awaited directives from the Ministry of Finance on fees to be levied for other Consular services. Meanwhile, the cost of all such fees has been posted on the Embassy's website ([www.slembassy-germany.org](http://www.slembassy-germany.org)) to ensure transparency, he concluded.***

## 13. International Calls

From a review of correspondence, it was observed that a particular reporting format should be used for telephone calls. We however noted that the telephone calls appeared to be on the high side. Since

the caption in the Analysis provided only noted bills settled, it was difficult to clearly determine the calls that were international or not. Details are as follows:

| YEAR | AMOUNT (€) | REMARKS  |
|------|------------|--|
| 2004 | -          | Data not available                                   |
| 2005 | 15,431     | Cannot analyse between local and international calls |
| 2006 | 11,107     | "  |
| 2007 | 3,430      | "  |
| 2008 | 9,187      | "  |
| 2009 | 6,041      | "  |

It was recommended that an explanation should be given for not following these instructions to avoid abuse in the use of the facilities.

***The HOC replied that the Embassy noted the recommendations the ASSL but would also appreciate a review of instructions referred to in the Audit Report as, because of the Mission's multiple accreditation, it was very difficult to comply with those instructions particularly when the Head of Mission was constrained to be representing Sierra Leone at all meetings and conferences in countries of his accreditation.***

#### **14. No Accounting Software Package**

There was no computer accounting package in the Embassy for the production of financial and other reports.

We advised that since the transactions were numerous in the Embassy, consideration should be given for a small user friendly multilingual accounting package for use in the Embassy to facilitate production of reports. It must be multilingual as reports should be produced in English.

***In his reply the HOC stated that the recommendation was noted and its implementation was dependent on the appointment/posting of a professional accountant to the mission.***

## 15. Financial Management Capacity Building

It was observed that the staff, especially those responsible for financial management issues, were not au fait with such regulations, including knowledge of the Government Budgeting and Accountability ACT (GBAA2005), Financial Management Regulations (FMR2007) and the Public Procurement ACT. (PPA2004).

It was recommended that arrangements should be made for an Executive Financial Management training for senior staff assigned to Embassies and High Commissions and that they should be given a good grounding in the existing Sierra Leone Financial Legislations as part of their orientation.

***The HOC noted that the Embassy was pleased with the recommendation and looked forward to the opportunity for such training from the Ministry of Finance.***

## 16. Creation of position of Financial Assistant

In my last Audit Report, it was recommended that the above position be created to ease the burden on other non accounting officers. A letter dated 12<sup>th</sup> march, 2004 was sent by the then Head of Chancery to the Director General, Ministry of Foreign Affairs and Internal Communication. However, up to date it appears that no action has been taken in this regard.

It is again recommended that consideration be given to this matter as the absence of this officer is reflected in this report.

***The HOC noted, in his reply, that the issue had been raised with headquarters and also with the Auditor General resulting in the promise to take immediate action to post an officer as soon as one was identified.***

## 17. Internal Audit Function

Because of financial constraints, Audit Service Sierra Leone cannot audit all Embassies and High Commissions on an annual basis; therefore as evident in this case, the last audit done was in 2003; this is not good for accountability because of the time lapse.

It was highly recommended that consideration should be given to the engagement of Internal Auditors to be determined by the Ministry of Foreign Affairs and International Cooperation in collaboration with the Ministry of Finance and Economic Development based on the geographical locations of the Missions, to help on internal control adherence over the period before a statutory audit. This proposal can be worked on to see how it can help to reduce wastage over a period, blamed on ignorance of financial management.

***In his reply the HOC stated that the recommendation was noted.***

#### **18. Conditions of Service for local staff**

During the course of our Audit, we requested that the conditions of service for Local Staff of the Embassy be made available for review. The document was not provided for inspection.

It was recommended that the Embassy should secure a copy of this document and ensure that current conditions were in line with it.

***The HOC stated that the Embassy regretted to say that it was unable to lay hands on any written Conditions of Service prepared for local staff, but had however initiated the codification of one which would be forwarded to headquarters for endorsement.***

**Inadequate financial system in operation**

The following were observed:

- ▶ The Financial and Accounting Systems in operation at the Embassy did not conform with the Sierra Leone Government Financial Systems and Regulations. Typical instances were the fact that accounting records and books such as Payment Vouchers, Cheque Book system, monthly reconciliations etc. were not maintained/carried out by the Embassy.
- ▶ The software/financial system used by the Embassy did not have the semblance of Government Accounting system, and was not used by MDAs. The system used words like “Profit & Loss” and Turnover to classify/identify transactions carried out by the Embassy which was not in accordance with good accounting practice in the Sierra Leone Public Sector.
- ▶ Furthermore, a systems documentation that should describe the systems in use and process within the system was not in operation. This was especially important, since the actual system was not used by the Accountant General’s Department or other MDAs.
- ▶ An “Online Banking” was used by the Embassy without the approval of the Financial Secretary or Accountant General.
- ▶ A Temporary Finance Officer was in control of the financial operations of the Embassy and all transactions, request and approvals were solely done by him.
- ▶ The knowledge of the Finance Officer in Public Sector Accounting/Government operations was unsatisfactory.
- ▶ The Embassy was operating twelve (12) different Bank Accounts which made it difficult for reviews and follow-ups. In addition, these accounts were not balanced and reconciled monthly.
- ▶ Disbursements were not supported by Payment Vouchers.
- ▶ Bills, invoices and receipts were prepared in French and not translated into English

We therefore recommended that:

- ▶ The Accountant General should be much more involved in the financial operations of the Embassy, ensuring that the right type of Financial System and Accounting staff were in operation and the regular review of the systems.
- ▶ Communication should be improved between the Ministry of Foreign Affairs and the Accountant General’s Department to enhance the smooth operations of the Embassy.

- ▶ In future, authority must be sought from the Financial Secretary or the Accountant General before putting any Financial System into operation.
- ▶ The Accountant General should explore the possibility of posting a competent Financial Attachè immediately to the Embassy so as to enhance Financial Management.
- ▶ The HOC should maintain few Bank Accounts for Salary, Other Charges and Consular Income or as required by the Financial Regulation or payment structure. Also, all the Embassy's bank accounts must be balanced and reconciled on a monthly basis and must be checked/reviewed by a senior officer for correctness.
- ▶ The HOC should reintroduce the use of a Cheque Book system for Other Charges/Expenditure and maintain a standing order with the Bank to credit the individual accounts of staff with their salaries at the end of the month.

In future, the HOC should ensure the translation into English of supporting documents such as bills, invoices and receipts.

***The HOC in his response stated the following;***

- ▶ ***Even though the financial and accounting system in operation was electronic, it still performed the various functions referred to in the audit report. In addition, he said the system provided a financial journal for every bank account which corresponded to payment vouchers. Furthermore, he stated that reconciliations were carried out regularly on a monthly basis and advised that the users put interest in learning the system so as to move forward.***
- ▶ ***The software being used by the Finance Officer ( Pac Systems) was widely used in the Belgian public sector and was adaptable and transferable to any public sector in the whole world. The system did the Accounts Payable, creation of vouchers & cash book, general ledger and transfer transaction bookings to vote book. With the growth of the Embassy in the past year, the system had proved very effective.***
- ▶ ***The system was user friendly in that it took a day to understand how the system worked and that the accounting information was exported from Popsy to Microsoft Exel from which reports such as Income Statements, Details of disbursement, details of payments, reconciliation of cash book were developed.***
- ▶ ***Cash withdrawal transactions that were very difficult to trace had been discouraged due to the introduction of the disbursement form and invoices.***

- ▶ *The Income statement that indicated how the receipts were accounted for had been changed to “ Receipts vs payments” in accordance with the Government Accounting system, and turnover, a synonym for revenue, corresponding to Receipts in Government accounting system, had also been changed to Government language of “Income Statement”. The terms used in Popsy could be easily replaced with the equivalent term in the Government accounting system, he emphasized.*
- ▶ *There was no such thing as accounting system for Government accounting or corporate. Every accounting system was adaptable by the USERS and was based on the country’s general accounting principles, generally known as GAP.*
- ▶ *He said the Belgian banks seriously discouraged the use of checks, a system (check) which had phased out in European countries. In order for the Embassy to continue operating in the EU environment, it had to change in line with changes in the system. The Embassy had been using the Internet Banking since 1/0/2004 when IBAN (International Bank Account) system was introduced under EU recommendation adding that recently, all the Banks in Belgium had adopted the IBAN system and had limited the issuing of Bank checks. The Banks in Belgium had recently installed self bank machines which allowed individuals to perform their own payments, be it self bank or online.*
- ▶ *He explained that the internet banking system enabled them to perform both domestic and international payments more effectively and quickly with zero cost, while issuing, preparing and delivering checks to the bank cost them time, money and fuel, and every time the bank was asked to effect payment there was a charge.*
- ▶ *The Embassy did not have a temporary Finance Officer as indicated on the report, but a part-timer who had been doing the job for fifteen years. He received a part-time wage with no other allowances but made sure all his tasks were covered. He said the gentleman was Sierra Leonean who was educated and had lived in Belgium for over twenty four years with fifteen years of accounting experience in a number of international & financial institutions. He was currently a Deputy Chief Financial Officer who also doubled a role of supervising the sister company in London, making him familiar with the UK GAP of which Sierra Leone derive its*

*accounting standard. The Finance Officer was not a signatory to any of the Bank accounts and did not approve payments.*

- ▶ *The accounting operations at the Embassy was only bookkeeping, noting that it was hard to understand that a Deputy Chief Financial Officer had no knowledge and skills of bookkeeping which was a clerical job.*
- ▶ *In Belgium and EU countries in general, every transaction that had a bank affiliation required the opening of a bank account to isolate and facilitate the activities. Each of those accounts had to be opened because of the need to have them operational.*
- ▶ *The Mission had six operational bank accounts:*

*KBC Main Account for Monthly Remittances;*

*KBC Saving Account;*

*KBC Consular Account for the collection of visas;*

*ING Main Account- Formerly used for Remittances;*

*ING Consular – collection of visas; and*

*ING Rental Guarantee – Blocked guarantee HE's Residence*

*The UNESCO, Medical and Mercedes Benz Account that were non-operational had been closed down.*

- ▶ *Concluding, he pointed out that since they were in French/Dutch/German (multilingual society) speaking countries, translating all bills and invoices was difficult and expensive if not impossible. Notwithstanding, even though the bills were not translated, the finance officer being bilingual, usually marked on the bills the nature of business indicated. They did not deem it appropriate to have a total translation as clarification could be made as and when required. However it would be advisable that the officers representing the mission adapt to the bilingual environment in which the mission operated.*

### **Unauthorised salary payment**

It was observed that salary payments totalling £17,861.61 for the period February to May 2008 were made to the former Head of Chancery, when, in effect, the officer assumed duty or arrived at her post in the Embassy in June, 2008.

It was most surprising to note that a “Last Pay Certificate” was issued to the Accountant General’s Department in January, 2008, so that salaries could be sent to the Embassy before the officer vacated her post.

We recommended the following:

- ▶ In future, the Accountant General should ensure that in addition to the Last Pay Certificate, a letter of confirmation indicating that the Officer has reported for duty is received from the Ministry of Foreign Affairs before the payment is processed.
- ▶ The Director General, Ministry of Foreign Affairs should explain the reason for issuing a Last Pay Certificate to the Accountant General’s Department, when in effect the Officer had not vacated her post in the Ministry or had assumed duty at the Embassy.
- ▶ The Director General, Ministry of Foreign Affairs should recover the amount of £17,861,61 from the officer concerned and pay it immediately to the Consolidated Revenue Fund with receipts details forwarded to my office for verification failing which the former will be personally liable for making good the loss to Government.

***The HOC stated that the former HOC, on taking up duty produced a Last Pay Certificate dated January 2008 and informed the mission that because of the delay in the issuance of her entry visa which she claimed was no fault of her’s, she was not able to take up office as scheduled. Furthermore she claimed that she did not receive any salary in Freetown after the issuance of her Last Pay Certificate until she assumed duty at post.***

#### **Misuse of government funds to service the personal loans and unpaid bills of home based/diplomatic staff**

It was observed that private/personal loans of Home Based/Diplomatic staff remained unpaid when officers were recalled from duty or transferred elsewhere. In addition, Government funds, totalling £19,340.00, were used to repay the Bank loans and other claims of officers without authority from the Ministry of Finance and evidence of repayment plans from the Ministry of Foreign Affairs.

We therefore recommended that in future, Home Based Staff must settle their personal loans/debts whenever they were recalled in order to avoid possible sanctions on the Embassy. It should be a normal control activity that the staff to be transferred or recalled fulfilled his/her financial obligations

With immediate effect, the Director General must cause the necessary deductions to be made from the salaries of the officers concerned and receipt details forwarded to my office for verification.

***The HOC in his response noted that all financial requests made by personnel were approved by the Head of Mission and that the Loan request referred to was authorized by the then Head of Mission.***

***He stated that the amount of 19,340.00 Euros was requested on an emergency situation and that it had long since been repaid.***

#### **Use of consular fees without prior approval**

An examination of the Consular Fees Register and Visa Stickers disclosed that amounts totalling £ 270,572 were collected as Visa Fees and used without prior approval from the Ministries of Finance and Foreign Affairs and International Cooperation.

We therefore recommended that the Ministry of Finance should put mechanisms in place for Consular Fees to be paid into a separate special Government Foreign Bank Account, outside the control and management of the Embassy staff.

In future, Consular income should not be used under any circumstance without the prior approval of the Ministries of Finance and Foreign Affairs and International Cooperation.

***In his response the HOC stated that the Mission had to use Consular fees to cover essential payments, including utility bills and cost of participation at very important statutory meetings in the areas of coverage***

#### **Loans Register not maintained**

It was observed that the Embassy did not have a policy for its loans.

It was therefore recommended that a Loans Policy should be developed and implemented in order to enhance the management and control of loans

In addition, a Loans Register should be put into operation and regularly updated.

***The HOC noted that loans were now being completely discouraged and that the mission, in dire emergencies, extended salary advances, on very short term basis usually against the next month's payment. A register had been opened to record the details, he added.***

#### **Salaries paid to local staff**

An examination of the Salary Vouchers and other records disclosed that salaries were not signed for as received by all staff.

In addition, interviews of officers revealed the occurrences of short payment of salaries to officers amounting to £38,851 for the period August, 2004 to December, 2007 with no evidence produced to confirm that the differences were paid into the Consolidated Revenue Fund.

We therefore recommended that with immediate effect, officers should sign or initial the salary vouchers as evidence of receipt of their salaries and the short payment of salaries must be paid back to the officers concerned or the Consolidated Revenue Fund and a receipt forwarded to this office for verification.

***In his response the HOC stated that salaries, allowances and wages were paid to members of staff of the Mission based on the monthly remittance vouchers sent by the Ministry of Foreign Affairs & International Cooperation in Freetown and that all payments were done via bank transfers to each member of staff's bank accounts which served as an electronic signature.***

#### **Unauthorized expenditure**

It was observed that the sum of £2470 was used out of the Other Charges allocation to buy official costumes/suits for Diplomatic and Home Based staff on the occasion of the presentation of the Ambassador's credentials, even though Diplomatic staff were paid Clothing Allowance on first appointment.

In addition, expenditures totalling £21,000 for the period under review were undertaken for the purchase of sundry items for the Residence without authorization from the Ministry of Foreign Affairs.

We therefore recommended that the Director General should recover the amount involved from the officers/staff concerned and the Ambassador and Diplomatic staff must request for loans to cover such expenditure in future.

***The HOC gave the following responses:***

- ▶ ***No clothing allowance was paid to the Ambassador and Diplomatic Staff on their first appointment.***
- ▶ ***No official costume was purchased for staff to attend the presentation of credentials. Rather, these costumes were rented and there were receipts to the effect.***

- ▶ ***One costume was purchased for the Ambassador as it was deemed cost effective to purchase the costume at 2000 Euros, rather than rent for 900 Euros for three days, every time the Ambassador had to present his credentials in the five countries that he was accredited to.***
- ▶ ***The two other officers who accompanied the Ambassador, at 300 Euros per day for a period of 3 days per presentation. In addition, the Ambassador had to use the same costume at least five times per accredited country (5 countries) per year.***
- ▶ ***He deemed it cost effective to buy rather than rent which amounted to 67,500 Euros per annum.***

### **Fixed Assets and Inventory Register**

The following were observed:

The Embassy did not have a policy for its assets.

A proper Assets Register which should include all the assets of the Embassy, (Chancery and Residence) stating clearly the number of assets, cost, date of acquisition, additions, locations and other relevant details was not maintained.

The assets at both the Chancery and Residence were not marked with a durable identification label or tag.

It was therefore recommended that:

The Head of Chancery should design and develop an Assets policy;

With immediate effect, the Embassy should maintain an Assets Register with details of date of acquisition, cost, description, serial number, additions and other relevant details;

The Head of Chancery should ensure that assets belonging to the Embassy must have their existence checked periodically, as well as their state and must be matched to the Assets and Inventory Registers which must be kept updated at all times; and

All assets must receive an efficient and durable identification label or mark indicating the order/invoice number assigned to them.

***The HOC stated that an Inventory Register had been opened with all Government property registered therein and updates done for new purchases.***

## **General Issues**

An outstanding obligation amounting to £40,457 for the period January, 1992 to July, 2005 due to UNESCO still remained unpaid up to the time of the audit inspection.

There was no evidence to confirm that acting allowance was paid to the former Acting Head of Chancery for the period 1<sup>st</sup> November 2007 to 16<sup>th</sup> June 2008.

There was no compliance with the ceiling on payment and format for the use of telephones assigned to the Ambassador and Diplomatic staff.

The following were therefore recommended:

The Director General of the Ministry of Foreign Affairs should regularise these anomalies observed during the course of the audit inspection;

The Director General, Ministry of Foreign Affairs & International Cooperation, should effect recoveries of overpaid telephone bills; and

The Circulars/Memoranda No. 206 of 29<sup>th</sup> April, 1997, 7<sup>th</sup> December, 1999 and 22<sup>nd</sup> June, 2000 on the use of telephone must be brought to the notice of all Diplomatic staff to ensure compliance.

***The HOC responded by stating that the Mission had requested the MFAIC in Freetown on several communications to settle the outstanding amount.***

***He also stated that the Embassy had started implementing the directive in the memorandum of 7<sup>th</sup> December, 1999 adding that a Log was kept to record all calls made by officers from the Mission's telephone. A limit had also been placed on telephone payments by the Mission in favour of home based staff, he added.***

**SIERRA LEONE HIGH COMMISSION, NIGERIA FOR THE PERIOD 1<sup>ST</sup> JUNE, 2003 – 31<sup>ST</sup>  
DECEMBER, 2009**

**1. Consular fees not remitted to the Consolidated Revenue Fund**

A review of the Consular Fees records disclosed that over the years not all moneys collected and deposited into the bank accounts were remitted to the Consolidated Fund. It was thus observed that as at 31<sup>st</sup> December, 2009, there was an accumulated sum of \$3,551.68 in the Consular Account that was not remitted to the Consolidated Fund.

We therefore recommended that the HOC should ensure that all monies collected on behalf of government should be remitted to the Consolidated Fund within a reasonable time and that the amount of \$3,551.68 be transferred to the Consolidated Fund immediately.

*In his reply the HOC stated that there was a directive from Headquarters that only sums collected from the sale of visas should be remitted to the Consolidated revenue Fund while the balance i.e. from the ETC's and Passports be kept in the account until further directives were received from Headquarters. He further said that the Commission incurred US\$50 on the 3<sup>rd</sup> of every calendar month as bank charges to remit Consular funds. This has spread over a four year period effective 1<sup>st</sup> July 2006.*

**2. Cash withdrawn from the Consular Fees Account**

The sum of US\$3,300 was withdrawn from the Account on the 27/9/2007 without any prior approval from the Accountant General, and there were no supporting documents to substantiate the use of this amount.

It was recommended that the HOC should explain why the sum was withdrawn from the Consular Fees Account. Also all supporting documents should be produced for verification failing which the full amount should be refunded to the Consolidated Fund without further delay.

*The HOC informed the ASSL that the sum of \$3,300 was withdrawn and spent on fuel and vehicle maintenance within the period when that Mission was not in receipt of Other Charges for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2007, and up to the reply date the monies were yet to be sent from Headquarters. This, he said was a general phenomenon which affected the country's Missions abroad.*

**3. Cash withdrawn from Admin. Bank Account not brought to account**

The sum of US\$65,234.93 withdrawn from the Admin Bank Account was not brought to account. It was also revealed that cash withdrawn in selected months was greater than cash paid out as Salaries and Other charges. The resulting differences were not brought to account.

We recommended that the differences should be accounted for and all original supporting documents forwarded to my office for verification. Otherwise, the full amount should be refunded immediately to the consolidated account and the paying-in-slips forwarded to this office for verification.

***In his reply the HOC stated that, the amount of \$65,234.93 was received on behalf of Sierra Leonean students studying in Nigeria to address issues relating to tuition and other expenses and over the period was remitted to the High Commission's Account by the Ministry of Education in Freetown. The amount, he said, was directly paid to the deserving students without treating it through a voucher system. He added that the High Commission could hereby enclose the list of the students with their signatories verifying receipt of such payments.***

#### **4. Closure of Bank Account No. Eq1110133727**

On the 9<sup>th</sup> of October 2003, Account Number EQ1119133727 was closed with a credit balance of US\$14,725.92. However there was no evidence that this amount was transferred to the new bank account. Our recommendation was that the Head of Chancery should account for this amount without any further delay and all supporting documents should be forwarded to our office for verification.

***The HOC informed the ASSL that the management was unaware of the closure of the fore-gone account and its stated amount. He also said that it was possible that the account under consideration was operated in Lagos prior to the date of assumption of duty in Abuja in September 2003 and that this account may have been operated by the then Defence Section of the High Commission which was independent from the Main Stream of the High commission in terms of operational activities.***

#### **5. Refund of expenses**

Claims, amounting to \$57,927, were made by the Diplomatic staff for the refund of domestic expenses such as cooking gases, medical etc. However, some of these expenses were not refundable according to their Letters of Appointment or the Conditions of Service for Commonwealth or Assigned Staff on Foreign Missions. It was further observed that all the Diplomats assigned to the mission were claiming refunds of medical expenses for themselves and their entire family members at the end of almost every month.

However no authentic medical reports or prescriptions were attached to substantiate the various illnesses and to justify the reimbursements as stated in their Conditions of Appointment. Only lists of drugs and receipts which did not have the names and logo of a registered Clinic/Hospital or Pharmacy were attached to the Payment Vouchers. A sample of such payment vouchers amounted to US\$9,628.

The following were recommended;

- ▶ Refunds should only be made to Diplomatic staff for reimbursable expenses, according to their letters of appointment or any other documented authority;
- ▶ Prior authority should be sought in writing from the HOC, before personal monies expected to be reimbursed from public funds were spent; and
- ▶ The HOC should ensure that future reimbursements should only be made in respect of medical expenses up-on submission of a medical report from a recognized Hospital/Medical Practitioner with an authentic bill/invoice and receipt.

***In his reply the HOC stated that management had noted the recommendations under the sub-head adding that they would be adhered to accordingly.***

## **6. Vehicle repairs**

The sum of US\$39,493 was spent on repairs to vehicles. However these vehicles were still in a deplorable state and condition. This forced the current High Commissioner to use his private vehicle for official purposes.

It was recommended that mechanisms should be put in place for these old vehicles to be disposed of and the proceeds used to purchase a brand new car. In addition, government should try as best as possible to provide at least one new additional vehicle for the High commission.

***In his reply the HOC stated that management was happy to note the recommendation under that sub-head and promised to follow it up to its logical conclusion.***

## **7. Fuel utilisation**

Huge quantities of fuel were bought during the period. However there was no Fuel Register maintained by the High Commission to record the usage of the fuel. It was also observed that there were no records available to ascertain the quantity of anticipated fuel with which comparison could be made for control purposes.

We recommended that, without any further delay, the mission should maintain a Fuel Register to record all fuel purchases.

***In his reply the HOC stated that management had noted the recommendation and was happy to inform the ASSL that Log Books had been assigned to all operational vehicles of the High Commission detailing all issues pertaining to each and every vehicle and that the mission was hopeful that the outcome would be appreciated by the authorities in Freetown.***

#### **8. Staff were not signing for their salaries**

Some staff were not signing the payroll to acknowledge receipt of their salaries for several months.

It was recommended that without prejudice to the above regulation, the HOC should ensure that all employees sign for their salaries. A third party could only be permitted to sign for and collect salaries on behalf of employees if that person had a written certified and authentic authority from the beneficiaries. Also he/she must produce the employment ID card of the beneficiaries as well as his/her identification card.

***The HOC stated that while management was pleased to note the recommendation it should explain that the Sierra Leone High Commission Nigeria was the only Mission that operated from Two (2) locations. Therefore, often and again the monthly local staff vouchers were usually sent to headquarters from the Abuja office directly and was usually without the original signature of the local staff at the Lagos office. He however said that photocopies of their names and signatures against the amount collected were routinely submitted to the Abuja office.***

#### **9. Unclaimed salaries not brought to account**

An analysis of the Payroll and Attendance Registers revealed that some staff were not collecting their salaries for some months. Further scrutiny revealed that their personal records such as Applications and Appointment Letters were not available. There was no evidence of their signing the Attendance Register.

It was recommended that the HOC should ensure that all unclaimed salaries were paid back into the Consolidated Fund within a reasonable period of time and all supporting documents forwarded to the ASSL for verification. Furthermore, only employees who had gone through the required recruitment procedures and were approved by both the Ministry of Finance and Foreign Affairs should be included in the payroll of the High commission.

***In his reply the HOC stated that management had noted the ASSL's recommendation and promised to implement the directives to the fullest.***

## 10. Inventory Register not maintained

An Inventory Register was not maintained. In addition, it was difficult to determine the cost, date of purchase and movements of equipment and furniture. Also, assets were not given unique inscriptions to easily identify them.

We recommended that without further delay, an Inventory Register should be maintained and all existing assets taken on charge. Also in future, all items bought should be taken on charge with the following details as required by the regulation.

| Date of Purchase | Serial Number | Brand | Cost | Identification Code | Location |
|------------------|---------------|-------|------|---------------------|----------|
|------------------|---------------|-------|------|---------------------|----------|

***The HOC informed the ASSL that management noted the concerns of the auditors, i.e., not maintaining an Inventory Register. He however said that the Mission had endeavored to keep an Inventory Register over the period though not with the above details.***

## 11. Properties worth thousands of dollars in ruins at the Lagos Residence

Properties worth thousands of US Dollars have been left dilapidated at the Lagos Station. This included the building, a 250 KVA generator and furniture. There were no records available to reasonably determine their value.

We recommended that a mechanism should be put in place to cause the refurbishment of the unoccupied building and consideration given for leasing it if no immediate use was foreseen.

The other equipment could be disposed of so that the proceeds would be put into other developmental use.

***In his reply the HOC stated that the recommendations under that subhead were well noted and that the Management of the Mission wished to inform the ASSL that the leasing process of the second apartment was ongoing .He also said that the 250 KVA generator and other obsolete furniture had been placed on auction for interested buyers.***

## 12. Information Technology

There were insufficient Computers in the Mission. Some personnel were using personal Laptop Computers to carry out official functions. These included the High Commissioner, the Information Attaché, Special Assistant to the High Commissioner and the First Secretary at Lagos. Also it was observed that the computers were not protected with Anti-virus software and no password protections were used to prevent

unauthorized users. It was further observed that the Secretary's Computer at the Lagos Station was exposed to hazards as there was inadequate ventilation to cool the equipment.

As a recommendation, the HOC was advised to make adequate provision for the acquisition of laptop computers so that the work of the High Commission will not be hampered in a situation where officers cease to use their personal computers for official assignments. Also, adequate provision should be made to safeguard the computers from hazards and unauthorized users.

### **13. Non Compliance with procurement regulations**

Procurement procedures were not followed in respect of various items worth US\$50,700.

It was recommended that, without any prejudice to the above regulations, all subsequent procurement should be done in accordance with the Public Procurement Act and other regulations.

*In his reply the HOC stated that Management carried out that exercise in good faith and with all sincerity. However, he said the recommendation of the ASSL was well noted for any future procurement.*

### **14. Supporting documentation**

Several payments, totalling \$74,550.50, were made, for which adequate supporting documents were not attached to the Payment Vouchers to justify the payments.

It was recommended that the HOC should produce all relevant supporting documents to substantiate all the payments, totalling \$74,550.50; otherwise a refund of the sum for the outstanding documents should be made without prejudice to the above regulation.

*The HOC replied that most expenditure in the Payment Vouchers related to travelling and were incurred as a result of the many areas of accreditation under the jurisdiction of the Sierra Leone High Commission – Nigeria. It was believed that these areas should be visited with prior approval from Headquarters, more-so, in pursuit of establishing a good relationship between Sierra Leone and the accredited areas. He added that, in the area of public relations, receipts were very hard to come by since most dealings were concluded in trying to promote the good images of the High Commission and Sierra Leone in general. Furthermore, he said, fuel allocation for diplomats was done on a monthly basis wherein procedures must have been inadvertently flouted. Concluding, the HOC noted that it was indeed a lesson learnt and that corrective measures would in future be put in place for the acquisition of receipts for any privilege(s) accorded a diplomat.*

## **15. Purchase of Representational Car**

The sum of \$44,550 was paid for the purchase of a brand new Representational Car for the High Commission. The former High Commissioner eventually went to Germany and procured two Mercedes Benz cars. An additional sum of \$4,671 was spent to ship the two Mercedes Benz (E 320) cars from Germany to Lagos.

Records relating to the procurement of the cars (such as invoice, receipt, bill of laden, manual, etc.) were not submitted for review. As a result the actual purchase price of the cars could not be ascertained. Only one of the cars was handed over to the HOC by the High Commissioner when he was recalled to Freetown. Further investigations revealed that several repairs had been done to the Mercedes Benz that was handed over to the High Commissioner and it was not roadworthy. Due to the poor condition of the car, the current High Commissioner has opted to be using his private car on official assignments.

We recommended that the former High Commissioner should submit to this office all original documents including invoices, receipts, manuals, shipment records, initial insurance document, etc. In the event of failing to submit these documents, he should return the second car to the Mission or refund the full cost of the vehicle.

***In his reply the HOC stated that management was in receipt of a Mercedes Benz No. 320, 2000 model which was purchased prior to his assumption of duty as HOC in September, 2003. He however said that management would endeavour to get in touch with the former High Commissioner as to the concerns raised relating to the second vehicle.***

**SIERRA LEONE HIGH COMMISSION, GHANA FOR THE PERIOD 1<sup>ST</sup> JANUARY, 2005 – 31<sup>ST</sup> DECEMBER, 2009.**

**1. Inadequate control over the collection and recording of revenue**

There was inadequate control over the collection and recording of revenue. A Revenue Cash Book was not maintained. There was no register where receipts/visa stickers received were first recorded before used.

It was highly recommended that the under-mentioned records should be maintained with immediate effect:

- ▶ Revenue cash book;
- ▶ A register to record all receipts and issue of visa stickers;
- ▶ A deposit register to record all deposits made; and
- ▶ Safe/Strong Room Registers showing details of all lodgment or withdrawals of cash in the safe/strong room. In addition, both key holders should initial the register, when cash or other valuables are withdrawn or put into the safe/strong room.

Also, Periodic spots checks should be carried out to ensure appointed 'checking officers' fulfill their obligations. That is, Cash in hand is correct, Cashbook and ledgers are posted to date-controls and safeguards are applied.

**2. Inadequate control over loans**

Loans were given to various officers of the Commission but a Loans Policy was not in existence.

Our recommendation was that the HOC should ensure that a control account in the form of a register must be maintained, giving the name of the officer, the amount given out as loan/advance, payments to date and the balance outstanding. Similarly, proper procedures such as the placing of formal applications for such loans to the HOC must be followed in all circumstances.

**3. Disbursement**

Payment Vouchers for the period under review were poorly prepared. Expenditures totalling \$40,158.46 were made without the use of Payment Vouchers, even though receipts, invoices and certifications in support of the expenditures were seen in a folder. Cash Books, VSL or an Expenses Analysis Book for the disbursement of monies expended by the Commission were not maintained. A

difference of \$1,038.40 was noted between the face value of the vouchers examined and their related supporting documents. Bank Reconciliations were not carried out by this institution.

The following were recommended;

- ▶ Officers authorizing payments should ensure that vouchers were properly completed;
- ▶ Amounts were to be written in words by the person preparing the vouchers;
- ▶ Payment Vouchers were to be prepared for all expenditures;
- ▶ To charge promptly in accounts under the proper Heads, sub heads, accounts, all disbursements of public funds; and
- ▶ The Financial Officer should ensure that the recipient's signature was on all vouchers.

#### **4. Procurement**

It was observed that procurement procedures were not followed in the procurement of two (2) Hover vehicles costing \$39,000. Documents relating to procurement proceedings were not maintained. In addition, there was no evidence to confirm that authority was given by the Ministry of Foreign Affairs for the procurement of these vehicles.

It is highly recommended that, in future, every effort should be made to always follow procedures.

#### **5. Control over the assets of the Commission**

An Inventory Ledger or a Location Inventory was not maintained. Furthermore, assets were without identification marks.

The HOC should make sure an Inventory of furniture and equipment be done and at the same time ensure that they bear unique identification marks.

Vehicles Log Books were not maintained. There was no formal administrative control over the use of the High Commission's vehicles.

A proper use of official vehicle Log book should be enforced to enhance the management of the High Commission's vehicles and that Log books are reviewed periodically and all journeys counter signed by the user.

#### **6. Payroll**

The Staff Attendance Register was not properly kept. In most instances, staff did not sign the Register upon arrival and departure. Also there was no evidence of supervision/review of Attendance Register by a responsible officer or the Vote Controller.

The HOC should ensure that members of staff sign the Attendance Register when they report for duty and when they depart each day. In addition, the HOC should review attendance records on a regular basis.

#### **7. Salary Vouchers not properly maintained**

Payroll vouchers were not explicit as there were no provisions for statutory and other deductions on the vouchers.

It was recommended that the HOC should ensure with immediate effect, that salary vouchers were prepared in the prescribed format showing full details of basic salary, all allowances, income tax deduction, social security contributions by employers and employees, all other deductions and the net amount payable to the employee.

***The HOC did not respond to the above audit observations and findings and has thus violated Government Budgetary and Accountability Act Section 64 (3) which states that; “Every query or observation under subsection (2) received by the Accountant-General or any other person shall, within thirty days after its receipt by that person, be returned by him, with the necessary reply to the Auditor-General”.***

## SIERRA LEONE EMBASSY, GUINEA FOR THE PERIOD 1<sup>ST</sup> OCTOBER, 2007- 1<sup>ST</sup> DECEMBER, 2009.

### 1. Price Lists not displayed

Price lists for Visa Fees, Laissez Passers and Identification Cards were not displayed in a conspicuous place on the premises of the Chancery.

It was recommended that the HOC should ensure that pricelists were displayed in a conspicuous place within the Embassy.

***The HOC mentioned that the pricelists were indeed not displayed in a conspicuous place on the premises of the Chancery because of changes that usually occurred in the fees and that in line with my recommendation pricelists for Visa Fees, Laissez Passers and Identification Cards have since been put on display on the Notice Board on the premises of the Chancery.***

### 2. Consular Fees not banked

An examination of the General Receipts, Visa Fees Register and Visa Stickers revealed that amounts, totalling \$133,665.00, were collected as Visa Fees for the period under review. Further examination of the Bank Paying-in-Slips and Bank Statements revealed that out of this amount, only the sum of \$89,812.00 was banked leaving an outstanding balance of \$43,853.00. There was no evidence as to how this amount was accounted for by the Embassy. Furthermore, the following control weaknesses were observed in the accounting for Laissez Passers and ID Cards for the period under review:

- ▶ A Cash Book was not maintained;
- ▶ Receipts were not issued;
- ▶ Laissez Passers were not serially numbered/prenumbered and were not printed in Booklet forms with duplicates and triplicates;
- ▶ Bank Pay-in-slips or Bank Statements were not produced for inspection and;
- ▶ There was no indication that the Embassy had sought the approval of the National
- ▶ Registration Secretariat for the issue of ID Cards to Sierra Leoneans in Guinea.

The following were recommended;

- ▶ That the HOC should ensure that the outstanding amount of \$43,453.00 must be
- ▶ accounted for by those concerned and receipt details communicated to me for verification;
- ▶ That Cash Books, Receipts, Payment Slips and Bank Statements must be used in
- ▶ respect of Laissez Passers and ID Cards;

- ▶ That all Laissez Passers must be prenumbered and printed by the Government
- ▶ Printing Department/an authorised Printer and must be printed in Booklet form;
- ▶ That, in future, the HOC should ensure that adequate safeguards existed and were
- ▶ applied in the assessment, collection and accounting of revenues; and
- ▶ That the HOC should seek the approval of the National Registration Secretariat
- ▶ for the issue of ID Cards.

*In his reply the HOC stated that in most cases the Embassy was forced to seek approval for expenditure out of Visa Fees Account. This he said was true for instance where the Embassy experienced delays in receiving its regular budgetary allocations/remittances from the Accountant General. He said whenever the Embassy was faced with such a scenario, headquarters was immediately informed and the relevant directives were given for the use of such a fund as may be requested by the HOC and approved by headquarter. He added that Visa Fees totalling \$43,853.00 were therefore used by the Embassy upon approval from headquarters for the day-to-day expenditure of the Embassy. In concluding the HOC said, copies of the relevant supporting documents in respect of these expenditures were available for verification and that the Embassy had instituted the following control mechanisms in accounting for Laissez Passers and ID Cards:*

- ▶ *A Cash Book was maintained;*
- ▶ *Receipts were issued;*
- ▶ *Laissez Passers were serially numbered/renumbered and printed in triplicate;*
- ▶ *Bank Pay-in-slips and Bank Statements were available; and*
- ▶ *The National Registration Secretariat had been notified for the issue of ID Cards to Sierra Leoneans in Guinea.*

### **3. Withdrawals from Account**

An examination of relevant documents and Bank Statements revealed that the amount of \$5,500.00 was withdrawn from the Visa Account No.01569000002-81 without a corresponding authority. In addition, there were no supporting documents such as; invoices, receipts, bills, claim sheets etc. to justify these withdrawals.

It was highly recommended that the HOC should ensure that the relevant authorities and supporting documents in respect of the amount stated above were forwarded to my office for verification; failing

which such amounts should be recovered from the officers concerned and paid back into the Visa Account.

***In his reply the HOC stated that the relevant authorities for the withdrawal of \$5,500.00 from the Visa Account No. 01569000002-81 were not submitted for inspection due to misfiling. He mentioned that, after a search in all files containing authorities for withdrawals from the Embassy's Accounts, the relevant authorities for the withdrawal of \$1,500.00 and \$4,000 were located and appropriately filed. He noted that, these amounts were used for an official trip to Mali by the Ambassador and the repatriation of the Ambassador and Deputy Ambassador respectively.***

#### **4. Issue of Visa Stickers**

Some anomalies were observed in the issue of Visa Stickers. Necessary details like the amount received, the particulars of the payment and date of payment were not indicated on the stubs. Also, a photocopy and not the original was attached to the booklet which was considered as a Cancelled Visa.

The following recommendations were offered:

- ▶ The HOC should provide details of Visa Stickers listed above and original copy of Visa Sticker SL115284 of 13/8/09 issued on to Mr. Thakkar Mayan Matvarlal;
- ▶ Whenever Visa Stickers were issued, all details on the Stickers including the amount received the particulars of the payment and date of payment must be entered on the stubs; and
- ▶ Whenever Visa Stickers were cancelled, the originals and all other copies must be attached for verification purposes.

***The HOC replied that it was an oversight that the Blank Visa Sticker Stubs were without the necessary details like the amount received, the particulars of the payment and the date of payment. He however said that, these details were recorded in the Visa Register and that it had been reconciled. The original of a cancelled Visa Sticker had been attached to the Visa Sticker Stubs.***

## 5. Disbursements/Procurement

The quarterly allocations for Other Charges and monthly Salaries and Wages for staff continue to reach the Embassy's Account. It was, however, noted that these allocations were usually not received on time. Also, unanticipated bank charges for periodic remittances have continuously reduced the total remittances sent to the Embassy. There were instances when a constant amount of \$25.00 was levied as bank charges on each remittance received.

The Director General, Ministry of Foreign Affairs and International Cooperation should ensure that quarterly allocations for Other Charges and monthly Salaries and Wages for staff are sent within a reasonable time frame. In addition, adequate provision should be made to cover Bank Charges, so that the allocated amount remains intact.

***The ASSL was informed that this issue had been communicated to the Director General, Ministry of Foreign Affairs and International cooperation and the Accountant General for necessary action.***

## 6. Payment Vouchers

It was observed that Payment Vouchers were not often signed by recipients for services rendered to the Embassy. In addition, some Payment Vouchers had amounts written in figures and not in words. It was recommended that adequate and relevant information should be included on all Payment Vouchers so as to lend credibility to all financial transactions. Also, officers authorising payments should ensure that amounts in figures should also be written in words to prevent the risk of alterations on Payment Vouchers.

***The HOC informed the ASSL that the recommendation was noted and that adequate and relevant information had since been included on all Payment Vouchers and that the Embassy had since ensured that amounts in figures were also written in words on Payment Vouchers.***

## 7. Procurement of Goods

On reviewing the Internal Control Systems of purchases, it was observed that expenditures incurred on goods and services did not adhere to the usual three (3) Proforma Invoices requirement. Requisition Forms, Delivery Notes, Suppliers/Contractors' Business Registration Certificates and Income Tax Clearances were not attached to the Payment Vouchers produced for inspection.

It is recommended that all expenditure incurred for the procurement of goods and services should meet the usual three Proforma Invoices requirement, and that all goods procured should be

accompanied by Delivery Notes. In addition the Embassy should ensure doing business with reputable suppliers/contractors.

#### **8. Bank Reconciliation not prepared**

Bank Reconciliation Statements were not prepared for the following accounts held by the Embassy:

- ▶ A/C No. 01108580001-66 ( Salaries and Other Charges);
- ▶ A/C No. 01569000002-81(Visa Fees); and
- ▶ A/ C No. 01108580004-57(Local Currency)

We advised in strong terms that, all bank accounts should be reconciled monthly, reviewed by a senior officer other than the person who prepared it and must be filed in a manner that would enable the document to be retrieved when needed.

***In his reply the HOC stated that monthly Bank Reconciliations had since been carried out by the Finance Officer, reviewed by the HOC and appropriately filed for the following accounts held by the Embassy:***

- ▶ *A/C No. 01108580001 – 66 (Salaries and Other charges);*
- ▶ *A/C No. 01569000002 – 81 (Visa Fees); and*
- ▶ *A/C No. 01108580004 – 57 (Local Currency)*

#### **9. Withdrawals from Salaries and Other Charges Accounts**

The sum of \$33,346.00 was withdrawn from Salaries and Other Charges A/C No. 01108580001-66 without the corresponding authorities. In addition, there were no supporting documents such as invoices, receipts, bills, claim sheets etc. to justify these withdrawals.

The HOC was strongly advised to ensure that the relevant authorities and supporting documents in respect of the amounts stated above were forwarded to my office for verification; failing which the whole amount should be recovered from the officers concerned for the period in question and receipt details forwarded for my verification.

***The HOC informed the ASSL that the relevant authorities for the withdrawal of \$33,346.00 from the Salaries and Other charges A/C No. 01108580001-66 were not submitted for inspection due to misfiling. He added that after a thorough search in all files containing authorities for***

*withdrawals from the embassy's Accounts, the relevant authorities for these withdrawals were located and appropriately filed and that copies of supporting documents such as, Paid Salary Vouchers, invoices, receipts, bills claim sheets etc to justify the withdrawals had since been appropriately filed for accountability.*

**10. Purchase of Vehicle**

A final payment of \$8,000.00 was made on PV No. AG10501 of 8/7/08 to a supplier (Arpen-con Associate) for the purchase of a vehicle for the Deputy Ambassador. Copies of the Contract Agreement, Delivery Note and other relevant supporting documents were not available for inspection. It was recommended that the HOC should ensure that a copy of the Contract Agreement, Delivery Note and all relevant supporting documents to this transaction were submitted for inspection.

*In his reply the HOC stated that the vehicle was indeed supplied to the Embassy. He noted that copies of the Contract Agreement, Delivery Note and other relevant supporting documents to this transaction had been requested from headquarters for verification.*

**11. Telephone Bills**

The Entitlements of Ambassadors/Deputy Ambassadors, Head of Chancery/1<sup>st</sup> Secretary regarding telephone bills per month were as follows:

|                                 |           | \$                     |
|---------------------------------|-----------|------------------------|
| <b>Ambassadors</b>              | Residence | 200.00                 |
|                                 | Office    | 300.00                 |
| <b>Deputy Ambassadors:</b>      | Residence | 200.00                 |
|                                 | Office    | 300.00                 |
| <b>Head of Chancery:</b>        | Residence | 150.00                 |
|                                 | Office    | 150.00                 |
| <b>1<sup>st</sup> Secretary</b> | Residence | 150.00                 |
|                                 | Office    | <u>150.00</u>          |
|                                 |           | <b><u>1,600.00</u></b> |

In spite of the above, the sum of \$2,297.64 (GNF11,718,000.00) was disbursed on PV No.AG 14814 of 17/12/09 as telephone bills, in excess of the limit by \$697.64

We therefore recommended the following;

- ▶ The recovery of the overpayment in question should be done immediately and information supplied for verification;
- ▶ In addition, he should ensure that in future, all payment documents must be properly checked and verified internally before approving; and
- ▶ The HOC should strictly adhere to laid down conditions relating to telephone facilities to prevent funds going down the drain.

***The HOC mentioned that the amount of \$697.64 had been recovered from the personnel involved and that amount was charged on their entitlements in respect of telephone bills for the month of August and September.***

## 12. Refunds

Several claims were submitted for refund by a number of staff for the period under review. These were out of pocket expenditures incurred by them on behalf of the Embassy. It was observed that out of a total of twenty five (25) Payment Vouchers examined, seven (7), with amounts totalling GNF9,147,400.00 and \$4,132.87, had no requests from claimants.

It was therefore recommended that in the absence of the necessary requests from claimants, the HOC should ensure that the total amount paid out be refunded into the Embassy's Account and the receipts forwarded for my verification.

Also, in future, refunds should only be honoured after requests backed by the relevant authentic receipts, had been submitted.

***In his reply the HOC stated that out of pocket expenditures incurred by staff for and on behalf of the Embassy were only honoured after the submission of an official request for a refund backed by the relevant supporting documentation. He noted that refunds were only effected by the Finance Officer after the request had been approved by the HOC. He said copies of requests from claimants in respect of refunds of out of pocket expenditures totalling GNF9,147,400.00 and \$4,132.87 had been assembled and can be examined.***

## 13. Repatriation of recalled Ambassadors

In a memo dated 21<sup>st</sup> July, 2008 from the Secretary to the President, it was stated that the HOC was to make appropriate arrangements to facilitate the return of the Ambassador and his Deputy to Sierra Leone, particularly with the shipment of the personal effects for which funds were exclusively remitted.

The HOC was also instructed to terminate all personal expenditures, claims, privileges, immunities and other facilities in respect of the said Ambassador and his deputy with effect from 31<sup>st</sup> of August, 2008.

It was further noted that:

- ▶ On the 19<sup>th</sup> of September, 2009, the Embassy was mandated by the Director General to undertake payment for the transportation of the personal effects of both Ambassador S.B.Sacoh and his deputy Ambassador A.B.Kamara. The total amount expended in this transaction was to be reimbursed as soon as the processing of relevant financial documents at Headquarters was completed;
- ▶ The total amount remitted for this purpose was not disclosed nor was the amount to have been expended by the Embassy spelt out in the mandate of the Director General;
- ▶ A total of \$4,000.00 was claimed to have been paid out of the Other Charges Account of the Embassy for the repatriation of these officials; and
- ▶ There was no evidence that the Embassy had been reimbursed with this amount as contained in the mandate of the Director General.

It was therefore recommended that the HOC should provide an explanation as to why the instructions of the President were not followed. In addition, the Director General should proffer an explanation on the above issue.

Furthermore, the amount exclusively remitted for this transaction must be disclosed and details forwarded to the Embassy and to my office for verification.

The amount of \$4,000.00 must be refunded into the Embassy's Account and details of repayment forwarded for my verification.

***The HOC noted that the ASSL's findings and recommendations for a refund of the sum of \$4,000 into the Embassy's Account had been communicated to the Director General. He stated***

***that repayment details would be communicated to the ASSL whenever the said amount was refunded.***

#### **14. Payments not acknowledged**

The Minister of Foreign Affairs and International Cooperation on the 12<sup>th</sup> of December, 2008 issued a memorandum to all Ambassadors and High Commissioners reiterating the need for necessary clearance to be sought from Headquarters before engaging on official travels. In spite of this, there was no evidence that such clearance was sought from Headquarters for official trips made by the Ambassador and his Deputy. An amount of \$1,400.70 on PV No.AG 7245 of 16/10/09 was alleged to have been paid to the Deputy Ambassador for an overseas travel to Freetown to have consultations with the President. The Ambassador's approval was not evidenced and the amount was not signed for by the Deputy Ambassador. Also, the amounts of \$2,000.00 on PV No. AG10623 of 28/4/09 and \$2,000.00 on PV No. AG10624 of 28/4/09 were paid to the Ambassador and Deputy Ambassador for a familiarization trip to Mali. These amounts were also not signed for as evidence of receipt.

It was highly recommended that the Embassy should strictly adhere to the directives of the Minister as they would facilitate the judicious use of scarce financial resources and that, in future, all monies disbursed should be signed for as evidence of receipt by the appropriate person(s).

***In his reply, the HOC stated that copies of correspondence from the Embassy in respect of requesting clearance from Headquarters before engaging on official travels are retained in the Embassy. He further said, because of poor filing system then, it was difficult to locate these documents and submit them during the audit exercise.***

***The trip made by the Deputy Ambassador to Freetown to have consultation with the President was approved by the Ambassador and the failure by the Deputy Ambassador to sign the Payment voucher was an oversight, he stated, adding that the Voucher PV No. AG7245 of 16/10/09 for the amount of \$1,400.70 had since been signed by the Deputy Ambassador.***

#### **15. Fixed Assets**

The Embassy did not have a policy on the movement, additions and disposal of its assets. A proper Fixed Assets Register which should include all the assets of the Embassy, (Chancery and Residence) stating clearly the number of assets, cost, date of acquisition, additions, locations and other relevant details was not maintained. This made it difficult to verify the assets of the Embassy. The assets at both the Chancery and Residence were not marked with a durable identification label or tag.

We recommended that a properly designed Fixed Assets Register should be maintained and regularly updated to record all movements by way of additions to, or disposals of Fixed Assets. The Register should contain the following information:

- ▶ Cost of the Asset;
- ▶ Description of the Asset;
- ▶ Date of Purchase;
- ▶ Location of Asset;
- ▶ Serial/Chassis Number; and
- ▶ Rate of Depreciation

It was also recommended that a verification exercise should be conducted regularly to reconcile the Fixed Assets Register with the assets in existence. Any difference must be promptly investigated and corrective measures. Also, all assets must receive an efficient and durable identification label or mark indicating the order/invoice number assigned to them.

***The HOC informed the ASSL that the Embassy considered the recommendations very useful in the management of its assets. In this vein, he said, a Fixed Assets Register was being maintained and regularly updated to record all movements by way of additions to, or disposals of Fixed Assets pointing out that the Register contained the recommended details which were regularly updated and all assets had been coded and marked.***

## **16. Maintenance Policy not instituted**

Several repairs and maintenance were done to Vehicles, the Chancery Building, Residence of the Ambassador and equipment. It was observed that there was no Maintenance Policy in place to prolong the useful lives of the assets.

It was recommended that the Embassy should institute a Maintenance Policy to prolong the useful life of the assets.

***The HOC noted that a Maintenance Policy in respect of Vehicles, the Chancery building, Residence of the Ambassador and equipment had since been put in operation in the Embassy.***

## 17. Fuel utilization

A Fuel Register and Vehicle Log Books were not in use to account for fuel worth \$8,555.94. It was also observed that there was no Fuel Policy to indicate the procurement and disbursement procedures and the personnel entitled to receive fuel.

The following were recommended:

- ▶ A Fuel Register and Vehicle Log Books must be maintained to account for fuel;
- ▶ A Fuel Policy must be formulated to clearly indicate the procurement and disbursement procedure, the personnel entitled to receive fuel and the quantity of fuel to be given to the entitled officials; and
- ▶ Recipients of fuel must sign the register as an acknowledgement of receipt.

***In his reply the HOC stated that a Fuel register and Vehicle Log books had since been maintained. In addition, he said there was a clear policy on the receipt and use of fuel and that recipient now signed in the Fuel Register for all issues made.***

## 18. Rent for the Chancery Building

It was noted that a formal Tenancy Agreement existed between the Head of Chancery and the Landlord in respect of the Chancery Building. It was also noted that another floor had been added to the existing space of the building. On the 15<sup>th</sup> of December, 2009, a Rent Proposal Notice in respect of the added space was sent to the Head of Chancery. This Notice pointed out the intention of the Landlord to rent the added space. Since the Embassy was the first tenant, the Landlord was willing to rent the floor to the Embassy at a preferential price of \$1,000.00 per month. The Embassy was to have responded to the Notice by 1<sup>st</sup> January, 2010. As at the time of writing this report, no response had been received from the Embassy.

It was therefore highly recommended that the Director General, Ministry of Foreign Affairs and International Cooperation should ensure that an agreement be reached with the Landlord and the additional floor occupied by the Embassy.

***The HOC noted our recommendation and said that he had communicated to the Director General, Ministry of Foreign Affairs and International Cooperation for necessary action.***

## 19. Security of the Residence and the Chancery premises

Interviews with key personnel regarding security arrangements for the Embassy and Accredited Staff revealed the following:

- ▶ The Embassy had been relying on Vigilantes working with the Guinean Police Force for their security. Though their service was fraught with problems, it was cheap and affordable, especially when funds were not readily available. However, the Guinean Police had withdrawn these vigilantes who were later absorbed into the National Police Force.
- ▶ The Embassy had since been left without security personnel to protect the premises.
- ▶ Although this very important issue had been brought to the attention of the Director General, Ministry of Foreign Affairs and International Cooperation since October, 2008, no provision had been made for alternative arrangements in the quarterly Other Charges allocations sent to the Embassy.

We advised that the Ministry of Foreign Affairs and International Cooperation should ensure that security of the Embassy and Residence be addressed immediately.

In addition, provision should also be made in the Embassy's quarterly Other Charges allocations in respect of security.

***The HOC noted the ASSL's advice and said that he had communicated to the Director General, Ministry of Foreign Affairs and International Cooperation for necessary action.***

## 20. Unpresented Salary and Wages Vouchers

Salary and Wages Vouchers for the under-mentioned periods were not submitted for inspection:

- ▶ October to December, 2007;
- ▶ January to April, 2008; and
- ▶ June and July, 2008

We recommended that, the HOC should conduct a thorough search and produce the documents for inspection; otherwise the above section of the Audit Service Act will be invoked.

***In his reply the HOC stated that the ASSL's recommendations were relevant and that he considered the need to improve on the records management system of the Embassy. He said,***

*prior to that time all records in respect of Salaries and Other Charges were not properly filed and some were just forwarded to Headquarters in Freetown without retaining copies at the Embassy. He mentioned that, they were however glad to inform the ASSL that copies of Salaries and Wages vouchers for the under-mentioned periods had been obtained and were available for inspection:*

- ▶ *October to December, 2007;*
- ▶ *January to April, 2008; and*
- ▶ *June and July, 2008;*

## **21. Inconsistent signatures on Salary Vouchers**

It was observed that the signatures of two staff in the Salary Vouchers for August – December, 2008 and January – March, 2009 respectively, were inconsistent. A total of \$5,690.21 was involved. Also, the signature of the former Deputy Ambassador in the Salary Voucher for August 2008 was different. The amount involved was \$5,599.00. Person(s) without written permission may be collecting someone else's salary, or the staff may have been included in the payroll even after they may have left the service.

The following were therefore recommended:

- ▶ The HOC should submit an explanation in respect of the above anomalies;
- ▶ The HOC must ensure that at all times staff should be consistent in their signatures;
- ▶ Where authorities are sent for salary collection, the authorized persons should indicate "for" before signing their own names on the Salary Vouchers; and
- ▶ The HOC must check and reconcile the Monthly Payroll Report from the Accountant General's Office against his or her Staff List and report all variances for correction to the Accountant General.

*In his reply the HOC stated the following;*

*That since Mr. Fode M Kargbo was on sick leave he issued an authority for these salaries for the months in question to be collected by his wife. He said that, her failure to indicate "for" before signing on the Salary vouchers had given rise to this query.*

***That the former Deputy Ambassador, Mr. Alie Badara Kamara, was on an official trip overseas and therefore authorised his cousin to collect his salary for the month of August 2008; again his failure to indicate “for” before signing on the Salary Vouchers had given rise to this query***

***That the Embassy had instituted mechanisms to ensure that where authorities were sent for salary collection, the authorized persons should indicate “for” before signing their own names on the Salary Vouchers.***

## **22. Unauthorised payments of salaries and wages**

Salary payments totalling \$1,071.31 were signed for and received by persons other than those whose names were on the Salary Vouchers. It was observed that employees did not issue any authority for third parties to sign for and collect their salaries in their absence.

In a memo dated 16<sup>th</sup> April, 2009 from the Director of Administration and Finance, Ministry of Foreign Affairs and International Cooperation to all Repleones, it was stressed that for prudent Financial Management and the Principle of Accountability, all employees should be allowed to sign for and receive their salaries and other personal emoluments. This directive was also ignored by the Embassy.

It was highly recommended that, Letters of Authority prior to the memo dated 16<sup>th</sup> April, 2009 from the Director of Administration and Finance, Ministry of Foreign Affairs and International Cooperation to all Repleones must be provided for verification, or the above amount refunded and paid into the Consolidated Revenue Fund, with a receipt forwarded to this office for verification. In addition, all amounts signed for after 16<sup>th</sup> April 2009 must be paid back into the Consolidated Revenue Fund, with a receipt forwarded to this office for verification.

Furthermore, the HOC should ensure that Letters of Authority must always be attached to the Salary Voucher.

***The HOC told the ASSL that he must reiterate that prior to that time all records in respect of Salaries and Other Charges were not properly filed and some were just forwarded to Headquarters in Freetown without retaining copies at the Embassy. However authorities were filed separately and not attached to Salary Vouchers, he noted.***

***The HOC also said that, with regard to salary payments totalling \$1,071.31 to persons other than those whose names were on the Salary Vouchers, it must be noted that those were salaries in respect of employees assigned to the residence of the Ambassador and Deputy***

**Ambassador. In those instances, the HOC said the Ambassador and Deputy Ambassador signed for and collected the salaries for onward payment to their respective staff. See details of staff below:**

**Payments signed for without authority 2009**

| <b>Month</b> | <b>Name</b>              | <b>Designation</b>            | <b>Amount</b>     | <b>\$</b> |
|--------------|--------------------------|-------------------------------|-------------------|-----------|
| <b>Jan</b>   | <b>Mr. Alieu Kamara</b>  | <b>Cook/Deputy Ambassador</b> | <b>128.26</b>     |           |
| <b>“</b>     | <b>Mr. Alusine N’jai</b> | <b>Steward/ “ “</b>           | <b>132.92</b>     |           |
| <b>Feb.</b>  | <b>Mr. Alieu Kamara</b>  | <b>Cook/ “ “</b>              | <b>128.26</b>     |           |
| <b>Mar.</b>  | <b>“ “ “</b>             | <b>“ “ “</b>                  | <b>128.26</b>     |           |
| <b>“</b>     | <b>Mr. Alusine N’jai</b> | <b>Steward/ “ “</b>           | <b>132.92</b>     |           |
| <b>Aug.</b>  | <b>Mr. Alieu Kamara</b>  | <b>Cook/ “ “</b>              | <b>128.26</b>     |           |
| <b>“</b>     | <b>Mr. Alusine N’jai</b> | <b>Steward/ “ “</b>           | <b>132,92</b>     |           |
| <b>Sept.</b> | <b>“ “ “</b>             | <b>“ “ “</b>                  | <b>159.51</b>     |           |
| <b>Total</b> |                          |                               | <b>\$1,071.31</b> |           |

**Furthermore he said that, The memo dated 16<sup>th</sup> April, 2009 from the Director of Administration and Finance Ministry of Foreign Affairs and International Co-operation to all Repleones, stressing that for prudent Financial Management and the Principle of Accountability, all employees should be allowed to sign for and receive their salaries and other personal emoluments, was received in the Embassy after these transactions. Since its receipt, all employees signed and collected their salaries in the Embassy premises, he concluded.**

**23. Unclaimed salaries/Arrears of salaries**

Salary arrears for the period January, 2009 – June, 2009, totalling \$ 2,050.06, were not signed for as received by some staff. Also amounts, totalling \$43,928.98, were paid as salaries and wages in respect of staff for which the respective staff did not sign as evidence of receipt. There was neither a confirmation of these payments subsequently nor was there any document to substantiate the refund of the amounts into the Consolidated Revenue Fund.

It was recommended that any payment of the said amount to the respective employees must be forwarded for my perusal; otherwise the stated amount must be paid back into the Consolidated Revenue Fund.

***The HOC stated that the amounts of \$2,050.06 and \$43,928.98 in respect of salary arrears and salaries respectively were not unclaimed but actually paid to and received by beneficiaries. He added that, the failure to sign the respective vouchers was an oversight as there was no way a staff can work for months without receiving salaries for those months. However the respective vouchers had since been signed by the employees, he noted.***

#### **24. Replacement of names on the payroll**

In spite of a request from the Head of Chancery to the Director General for the replacement of names on the Embassy's Payroll, the following were observed:

- ▶ The names of eight (8) former employees (mainly those who were attached to the
- ▶ former Ambassador and Deputy) were still on the Salary Vouchers.
- ▶ An examination of Staff Personal Files revealed that owing to prolonged illness, Mr. Fode M. Kargbo had his service terminated as of 1<sup>st</sup> May 2009, but his name still existed on the Salary Vouchers. In a memo referenced K/1/B/Vol.XIX/09 of 15<sup>th</sup> May, 2009, a Retirement Benefit Schedule was prepared and forwarded to the Director General, Ministry of Foreign Affairs and International Cooperation, for permission to pay End of Service Benefits to him. It was however noted from interviews held that Mr. Fode.M. Kargbo had died before the payment of his End of Year Service to the Embassy. His Personal File was not updated with the following information:
  - ▶ Certificate confirming/relating to his death;
  - ▶ Documents nominating the deceased's next of kin and to whom payments of his
  - ▶ End of Service Benefit should be made; and
  - ▶ A Will (if any)

We recommended that the HOC should ensure the updating of Mr. Fode. M. Kargbo's Personal File with a Certificate confirming/relating to his death, documents nominating the next of kin and to whom payment of his End of Service Benefits should be made, a Will (if any). No payment should be effected without these documents and copies of the documents forwarded to my office for verification.

In addition, the Director General was to ensure the replacement of the names listed above on the Embassy's Payroll.

***In his reply the HOC stated that as recommended, Mr. Fode M. Kargbo's Personal file had been updated with a Certificate confirming/relating to his death, documents nominating the next of kin and to whom payments of his End of Service Benefits should be made. In addition, he stated that, observations and recommendations had been communicated to the Director General and Accountant General for necessary action.***

## **25. NASSIT deductions**

An examination of payroll documents revealed that NASSIT contributions, totalling \$9,108.41, were deducted at source from the salaries of staff. There was no evidence that these deductions were paid over to NASSIT. Failure to pay over the amounts withheld from employees' salaries would result in difficulties being encountered at NASSIT by employees on retirement. The retirement benefits of staff will be seriously affected as retired workers will not be able to get their correct terminal benefit packages and the Embassy risks being sanctioned for not complying with regulations related to amounts withheld.

It was therefore recommended that amounts due must be paid immediately to NASSIT and receipt details submitted to my office for verification, otherwise the Embassy will be liable to a penalty as stated in Section 27 (1a) of the NASSIT Act, 2001

***The HOC noted that as observed by the ASSL, NASSIT contributions, totalling \$9,108.41, were deducted at source from the salaries of staff by the Accountant General. Therefore payment of these deductions should be made to NASSIT by the Accountant General and receipts forwarded to the Embassy for record purposes, he added. He HOC also noted the ASSL observations and recommendations which he said had been communicated to headquarters and the Accountant General for necessary action.***

## **26. Salaries paid to recalled Ambassadors**

An examination of paid Salary Vouchers revealed that the former Ambassador and Deputy Ambassador (Dr. S.B Saccoh and Mr. Alie Badara Kamara) received salaries for September, 2008 even though a memo from the Secretary to the President indicated a stoppage of all such benefits from 31<sup>st</sup> August, 2008. The amounts involved were \$5,506.25 and \$5,599.00 respectively.

The following were recommended;

- ▶ The HOC was requested to explain the reason for paying the Ambassador, Dr. S.B Saccoh and Deputy Ambassador, Mr. Alie Badara Kamara, when in effect the officers were no longer staff of the Embassy;
- ▶ The HOC should recover the amounts of \$5,506.25 and \$5,599.00 respectively from the officers concerned and immediately pay back into the Consolidated Revenue Fund with receipt details forwarded to my office for verification; failing which the former will be personally liable for making good the loss to Government; and
- ▶ The HOC should ensure that in future whenever staff were recalled, the Accountant General should be immediately informed for an update in the Embassy's Payroll records.

***The HOC maintained that Payment of salaries to the former ambassador and Deputy ambassador (Dr. S B Saccoh and Mr. Alie Badara Kamara) for September, 2008, even though a memo from the Secretary to the President indicated a stoppage of all such benefits from 31<sup>st</sup> August, 2008 was not deliberate or aimed at violating the instruction as contained in the memo from the Secretary to the President. He said that, it must be noted that Salary vouchers were prepared by the AGD and that the Embassy always informed that Department in respect of any additions or deductions in personnel in the embassy for immediate amendments to the Payroll. In addition, the HOC said that the memo from the Secretary to the President for the stoppage of all such benefits from 31<sup>st</sup> August, 2008 was actually communicated to the Embassy after the payment of salaries to the two personnel as they were still in post in the Embassy.***

## **27. Personnel matters**

Out of a sample of 20 Personal Files requested only 14 were submitted. Some of the Files were not updated with details such as Leave Records, Retirement Records, Acceptance Letters, Promotion Letters, and Personal Emolument Records.

Files without personnel documents may militate against the assessment/appraisal of the employees concerned for up-grading/promotion and computation of retirement benefits.

The HOC should ensure, that all Personnel Files should contain all relevant documents pertaining to them, such as Appointment Letters, Acceptance letters, Promotion letters, Personal emolument records, Leave Records and Retirement Records

***In his reply the HOC stated that our recommendation was noted and that Staff Personal Files had been updated with details such as Leave Records, Retirement Records, acceptance***

***Letters, Promotion Letters, Personal Emolument Records etc. and in addition, Personal Files in respect of the under-mentioned personnel had been assembled and could be verified. He maintained that the under-mentioned personnel were no longer employees of the embassy.***

- ▶ ***Mr. Abu M Kamara – Security/Ambassador ‘s Residence;***
- ▶ ***Mr. Allieu Kamara – Cook/Deputy Ambassador;***
- ▶ ***Mr. Alusine N’jai – Steward/ Deputy Ambassador;***
- ▶ ***Mr. L Kande Sumah – Ambassador’s Driver;***
- ▶ ***Mr. Loache Vandi – Cleaner/Ambassador’s Residence; and***
- ▶ ***Mr. T Bargrey – Driver/Utility***

## **28. Conditions of Service for local staff**

Even though our foreign Embassies and Missions abroad rely to a large extent on local labour laws in the different localities in which they operate, it is imperative that the Ministry of Foreign Affairs and International Co-ordination should design and implement appropriate Conditions of Service/Personnel Policy that could stand the test of time and serve as a guide and protection for the Sierra Leone Government in managing the affairs of locally employed staff.

It was therefore recommended that, the Foreign Ministry immediately put together a set of Rules/Conditions of Service to guide our Embassies/Missions and at the same time work side by side with the local labour laws in the various countries.

***The HOC said that the ASSL’s observation and recommendation were noted and had been communicated to the Ministry.***

## **29. Outstanding issues**

The under-mentioned are still out-standing;

- ▶ Bank Reconciliations were still not done by the Embassy;
- ▶ Supporting documents and the relevant authority, in respect of Consular Fees totalling FG48,191,170.00 spent on utilities for the Mission without prior approval from the Ministry of Finance, were still not available for verification;
- ▶ Supporting documents in respect of \$112,535.00 withdrawn from Account No.1085011506 was not available for verification;

- ▶ Although repairs and maintenance were being carried out on the Chancery, there was no evidence as to how the amount of \$43,170.14 remitted to the Embassy on the 4<sup>th</sup> of May, 2005 for the rehabilitation of the Chancery was brought to account; and
- ▶ Vehicle Log Books and Assets Register were not maintained.

**AUDIT OF SIERRA LEONE EMBASSY WASHINGTON DC FOR THE PERIOD 1<sup>ST</sup> JANUARY 2007 - 31<sup>ST</sup> DECEMBER 2010**

**1. Inadequate Financial/Accounting system in operation**

The following were observed:

- ▶ Accounting records and books such as Revenue, Expenditure and Balancing Cash Books were not maintained;
- ▶ Monthly Bank Reconciliations were not properly carried out;
- ▶ There were instances where a number of expenditures were supported by a single Payment Voucher;
- ▶ The Embassy maintained one Bank Account to cover Consular, Other Charges and Salaries; and
- ▶ Although the system of accounting and control had improved in the Embassy, the knowledge of the staff in Government Financial and other relevant legislations/regulations was found to be limited.

We therefore recommended that:

- ▶ The Finance Officer should on a monthly basis reconcile the Cash Book with the Bank Statement and discrepancies, if any, should be investigated;
- ▶ With immediate effect, the Finance Officer should ensure that Revenue, Expenditure and Balancing Cash Books must be maintained and regularly updated; and
- ▶ The HOC should open two separate accounts - a Consular Account and Other Charges and Salary Account.

**2. Use of Consular Fees without prior approval**

The following were observed;

- ▶ An examination of the consular records and receipt books disclosed that amounts totalling US\$ 2,057,690, were collected as Visa Fees for the period under review.
- ▶ Out of this, only a meagre sum of US\$175,000 was transferred to the Consolidated Fund or paid to the Government of Sierra Leone for the period under review;
- ▶ Two withdrawals of US\$165,500 and US\$180,000 were authorized by the MOFED for the rehabilitation of the Chancery and Residence; and
- ▶ The balance of US\$1,537,690 was used to cover other types of expenditure without prior approval from the Ministries of OFED and FAIC.

The following were recommended:

- ▶ The MOFED should put a mechanism in place so that Consular Fees paid into a separate special Government Foreign Bank Account would be outside the control and management of the Embassy staff;
- ▶ In future, Consular income must not be utilised, under any circumstance, without the prior approval of MOFED and MFAIC.
- ▶ The HOC was to ensure that Consular Fees were remitted within a reasonable time; and
- ▶ The HOC was asked to explain why the balance of US\$1.5 million was used without prior approval and produce evidence of how that amount of money was utilized; otherwise it should be refunded to revenue.

### **3. Differences in the payment of salaries & wages**

The following were observed;

- ▶ An examination of the Salary Vouchers and other records disclosed that salaries were not signed for as received by the Domestic staff;
- ▶ The names of eight (8) former employees of the Embassy were still on the Salary Vouchers even though they had been replaced; and
- ▶ An examination of paid-up Salary and Wages Vouchers and records revealed differences totalling US\$242,970, for the period January, 2007 to December, 2010. Also, no evidence was produced to confirm that the differences were paid to the Consolidated Revenue Fund or to indicate how they were utilized.

We therefore recommended that, with immediate effect, Domestic Staff should sign or initial the Salaries/Wages Vouchers as evidence of receipt of their wages.

We also urged the HOC to produce evidence of utilization of the differences; otherwise the amount involved should be refunded and details of receipt forwarded to this office for verification.

### **4. Payment of children's and education allowances to diplomatic staff**

The following were observed:

- ▶ It was observed that Children's Allowances were being paid arbitrarily. In some instances Children's Allowances were paid to Diplomatic Staff not entitled to it;
- ▶ An examination of source documents and records revealed that six (6) children over 18 years were still benefiting from allowances to the tune of US\$ 16,200.00; and
- ▶ Copies of Birth Certificates of children of some Diplomatic Staff were neither on file nor were they produced or made available to the auditor for inspection.

It was strongly recommended that the HOC should ensure that Children's Allowances were only paid to Diplomatic staff entitled to receive such allowances for a maximum of three children under 18 years.

We also urged that the HOC should have the officers concerned produce evidence of their children's birth certificates; otherwise the amount involved should be recovered and evidence of recovery forwarded to the Office of the Auditor General for verification.

## **5. Staff health insurance and medical bills**

The following were observed:

- ▶ There was no policy document developed by the Ministry of Foreign Affairs and International Cooperation to properly manage or administer staff insurance;
- ▶ There were scenarios where it was difficult to determine whether the cost of medical bills should either be reimbursed by the Embassy or whether it was the responsibility of the Diplomatic Staff; and
- ▶ Refunds/Reimbursements amounting to US\$23,369.95 were made to Diplomatic Staff in respect of medical expenses, even though Government was paying the full insurance premium and Overseas Allowances to them.

Our recommendations, therefore, were that:

- ▶ With immediate effect, the MFAIC should develop a policy to address staff insurance and medical bills;
- ▶ The HOC should stop the payment of refunds of medical bills to Diplomatic Staff until the MFAIC regularised the anomaly; and
- ▶ The HOC should produce evidence of authorization from the MFAIC for the payments of refunds of

medical bills; otherwise the amounts involved should be refunded and evidence of recovery forwarded to the Audit Service Sierra Leone for verification.

## **6. Local and overseas travelling**

The following were observed:

- ▶ Local and Overseas Travelling cost had increased drastically owing to the frequency of travelling by staff without authorisation even though there was a policy that prior approval should be sought from the MFAIC;
- ▶ The Ambassadors regularly travelled accompanied by Home Based Staff;
- ▶ Daily subsistence allowances disclosed that the adjustment mechanism of 45%, 35% and 25% was used in the computation of per diem for local travelling amounting to US\$25,458.00;
- ▶ The auditor did not come across any evidence of approval from the MFAIC nor was there evidence of programme reports or 'Back to Office' Reports;

We therefore urged the HOC to explain why an approval was not sought from the MFAIC and requested evidence of Back to Office Reports of the programmes attended.

In addition, we requested the HOC to explain the reason for the use of the adjustment mechanism in the computation of allowances for local travels; otherwise the amount of US\$ 25,458 should be refunded to the CRF.

## **7. Use of Embassy funds for the payment of accommodation for presidential delegation**

It was observed that Embassy funds, totalling US\$24,377.00 were used to cover accommodation and related expenses for the Presidential Delegation, even though per diem was paid to the delegates and adequate provision made under the Office of the President's budget allocation.

We therefore recommended that the HOC should explain why Embassy funds were used to cover the accommodation cost for the Presidential Delegates; otherwise the whole amount was to be refunded and evidence of recovery forwarded by the Embassy to the Audit Service Sierra Leone Office for verification.

## **8. Rehabilitation of government properties**

The following were observed:

- ▶ The property (Chancery and Residences) of the Embassy still remained uninsured;
- ▶ A colossal amount of US\$396,742 had been spent or utilised on the maintenance and rehabilitation of the Chancery & Residences;
- ▶ The construction work at the Chancery was incomplete. There was still a lot of work to be done at the Chancery Building to bring it up to an insurable state or standard;
- ▶ The Ground Floor of the Chancery Building was in a state of complete dilapidation. The electrical, plumbing, asbestos and elevators were damaged or worn out; and
- ▶ An independent Certificate of Work done in respect of the maintenance and rehabilitation of the property was not produced for inspection to support payments made for work carried out on the properties.

We recommended that;

- ▶ The MOFED should provide additional funds for the renovation of the Chancery Building to avoid possible litigation;
- ▶ The HOC should secure an insurance cover for the residences to avoid total loss; and
- ▶ With immediate effect all maintenance work should be certified by an independent expert or personnel.

## **9. Fixed Assets/ Inventory Register**

It was observed that assets, costing US\$146,174, at both the Chancery and Residences were not marked with a durable identification label or mark.

In addition, the Inventory Register was not properly maintained and details of acquisition, description and other relevant details were not recorded.

We recommended the following:

- ▶ All assets must receive an efficient and durable identification label or mark indicating the ordering number assigned to the them;
- ▶ With immediate effect, the Embassy Inventory/Assets Register should be updated to give details of date of acquisition, cost, description, serial number, additions and other relevant details; and

- ▶ The HOC should ensure that assets belonging to the Embassy must have their existence checked periodically, as well as their state and condition, and must be matched with the Assets and Inventory Registers which should be kept updated at all times.

#### **10. Loans Register not maintained**

It was observed that the Embassy did not have a policy for its loans. A Loans Register/record which should include the name of the borrower, the authority for the amount so authorized, the due dates and amounts of repayments was not maintained by the Embassy for the period under review.

It was recommended that a loans policy should be developed and implemented in order to enhance the management and control of loans.

#### **11. General Observations**

We observed the following;

- ▶ Wages of Local Staff were determined arbitrarily. It was observed that long serving employees continued to receive salaries far less than those newly recruited;
- ▶ The wage scale was at variance with the practice in the Service. There were no records of incremental or level movement in the wage scale of local staff; and
- ▶ Issues of non compliance with procurement Laws and Regulations were observed. Procurement plans were not prepared and a Procurement Committee not established. In addition, contract documents did not cover clauses such as conditions of contract, advance payments, Performance Bond and Defect Liability period.

**PERMANENT MISSION OF SIERRA LEONE TO THE UNITED NATIONS (NEW YORK) FOR THE PERIOD 1<sup>ST</sup> JANUARY 2007 – 31<sup>ST</sup> DECEMBER 2010**

**1. Inadequate financial systems in operation**

The following were observed;

- ▶ Financial records and Books such as Revenue & Expenditure, Cash Books, Accountable Documents Register and Vote Service Ledger were not maintained;
- ▶ Monthly Bank Reconciliations of the Cash Book and Bank Statement were not carried out;
- ▶ Disbursements/payments were not supported by Payment Vouchers; and
- ▶ The Knowledge of the Finance Officer/staff in Government Financial Regulations and other applicable legislations was limited.

It was however recommended that the Finance Officer should, on a monthly basis, reconcile the Cash Book with the Bank Statement and discrepancies, if any, should be investigated. Also, with immediate effect, the Finance Officer should ensure the maintenance and regular updating of the Revenue and Expenditure Cash Books, Vote Service Ledger and Accountable Documents Register.

**2. Revenue from Consular Fees not remitted**

An examination of the consular records and receipt books disclosed that amounts, totalling \$527,312, were collected as Visa Fees for the period under review, but no transfers were made to the Consolidated Revenue Fund or paid to the Government of Sierra Leone.

In addition, no authority or prior approval was sought from the MFAIC for the use of these funds. The balance in the Consular Account as at 31<sup>st</sup> December, 2010 was \$74,553.17.

The following were recommended;

- ▶ The MOFED should put a mechanism in place whereby Consular Fees must be paid into a separate special Government Foreign Bank Account, outside the control and management of the Mission staff;
- ▶ In future, the HOC should ensure that Consular Fees must be remitted within a reasonable time; and
- ▶ The HOC should produce substantial evidence of how these monies were utilized; otherwise the amount should be refunded to the Consolidated Revenue Fund.

### **3. Unauthorised Payment of Salary**

It was observed that the Mission continued to pay salaries, amounting to Le19,762.77, for the period October to December, 2010 to the former First Secretary who had been transferred, without a letter of authority from the MOFED and MFAIC.

We recommended that the HOC should ensure that whenever staff were recalled, the information should immediately be communicated to the MOFED to regularize the salary voucher or take appropriate action. In addition, we requested an explanation from the HOC for the above anomaly; in the absence of which the amount involved should be recovered.

### **4. Payment of Children's and Education Allowances to Diplomatic Staff**

It was observed that Children's Allowances were being paid arbitrarily. In some instances, Children's Allowances were paid to Diplomatic Staff not entitled to it. In addition, copies of Birth Certificates of children of Diplomatic Staff were neither on file nor were they produced or made available to the auditor for inspection to support the payments, amounting to US\$195,057.81, made to staff for the period under review.

We recommended that the HOC should ensure that Children's Allowances were only paid to Diplomatic staff entitled to receive such allowances, for a maximum of three children under 18 years.

It was also recommended that the HOC should ensure that the officers concerned must produce evidence of their children's birth certificates; otherwise the amount involved was to be recovered and evidence of recovery forwarded to the Office of the Auditor General for verification.

### **5. Special remittance for the rehabilitation of Government properties**

It was observed that in April, 2010 an amount of US\$ 533,704, remitted to the mission for the rehabilitation of Government owned properties, was deposited into the Salary and Other Charges Account. Six (6) months later, the same amount was transferred into a Special Account No. 000000908368293 to cover rehabilitation work. This amount remained unutilised at the end of the year and the balance as at 31<sup>st</sup> December, 2010 was US\$ 533,704. It was surprising to note that no rehabilitation work had been done in any of the Government properties, even though monies had been remitted for that purpose.

It was also observed that the Chancery Building was in a dilapidated state. The basement or lower level of the Chancery building would flood whenever there was a downpour of rain and the condition of the ceiling and heating systems was unsatisfactory, posing Health and Safety hazards to staff.

It was recommended that the HOC should explain why the money was not utilized for its intended purpose and why the implementation of the project was delayed; otherwise the amount involved should be repaid to the Consolidated Revenue Fund and evidence of receipt forwarded to the Audit Service Sierra Leone for verification.

## **6. Duplication of payment in respect of United Nations general assembly meetings**

The following were observed:

That MOFED paid twice for accommodation and other incidental allowances in respect of the United Nations General Assembly Meetings in New York- once to the Office of the Secretary to the President and again to the Sierra Leone Permanent Mission to the United Nations.

During the Financial year 2008, the Office of the Secretary to the President received US\$57,161 for the 63<sup>rd</sup> UN General Assembly Meeting; for the same period an amount of US\$43,800 was also remitted to the Mission for the same purpose.

In the 2009 Financial Year, the MOFED paid US\$46,691.00 in respect of the 64<sup>th</sup> UN General Assembly Meeting and remitted US\$36,596 to the Sierra Leone Permanent Mission for the same purpose.

During the 2010 Financial Year, the Office of the Secretary to the President received US\$54,267 to cover accommodation, incidental and imprest in respect of the 65<sup>th</sup> UN General Assembly meeting and for the same period an amount of US\$49,915 was remitted to the Mission.

Of utmost concern to the auditor was the unavailability of the relevant supporting documents and schedules to cover those payments.

We therefore recommended that the Financial Secretary should explain, with substantial evidence, why duplicate payments were made in respect of the UN General Assembly Meetings; in the absence of which the amounts involved should be refunded by the officers concerned.

## **7. Fixed Assets/ Inventory Register**

The following were observed:

- ▶ Assets, at both the Chancery and Residences, were not marked with a durable identification label or mark;
- ▶ The Inventory Register was not properly maintained. Details of acquisition, description and other

relevant information were not recorded;

- ▶ Most of the assets at the Mission/office were obsolete;
- ▶ There was no evidence on file to indicate that the HOC periodically checked/visited the residences to ascertain the state and condition of the assets and buildings; and
- ▶ a physical inspection of the assets at the residences was not carried out because of restrictions from Diplomatic Staff.

It was therefore recommended that:

- ▶ All assets must receive an effective and durable identification label or mark to indicate ownership and the ordering number assigned to them recorded;
- ▶ With immediate effect, the Mission's Inventory/Assets Register should be updated to give details of date of acquisition, cost, description, serial number, additions and other relevant information; and
- ▶ The HOC should ensure that assets belonging to the Mission must have their existence checked periodically, as well as their state and condition and must be matched with the Assets and Inventory Registers which should be kept updated at all times.

## **8. Loans Register not maintained**

It was observed that the Mission did not have a policy for its loans. A Loans Register/record which should include the name of the borrower, the authority for the amount so authorized, the due dates and amounts of repayment was not maintained by the Mission for the period under review.

It was recommended that a Loans Policy should be developed and implemented in order to enhance the management and control of loans.

## **9. General issues**

During the period under review, it was observed that amounts, totalling US\$19,010.00, were paid out as Cash payments to cover salaries and other expenses.

It was also observed that a high percentage of mortgage payments related to interest charges and it was considered doubtful whether the principal amount would be paid off at the end of the mortgage period.

Internal Communication in the Mission was far from satisfactory and this has had a negative effect on their work culture and performance.

A rent allowance of US\$2,300.00 continued to be paid to the HOC, even though she was occupying an official residence. This amounted to US\$43,700.00 for the period under review.

Undue delays were observed in the processing of the Air passage of the Deputy Permanent Representative (DPR) even though a memo had been sent by MFAIC to facilitate return. In addition, the recalled DPR continued to receive salaries and other claims/benefits, which resulted in the loss of monies to the Government.

We therefore recommended that the Director General, MFAIC should investigate the anomalies and have the report of the investigation forwarded to my office for verification. We recommended further that the Head of Chancery should refund the rent allowance received since the date of occupancy of the residence and forward receipt details to my office for verification.

# SIERRA LEONE EMBASSY IN LIBYA FOR THE PERIOD 1ST JANUARY, 2004 – 31<sup>ST</sup>DECEMBER, 2009

## **1. Visa Fees not displayed in a conspicuous place.**

It was observed that a list of the categories of fees for visa was not displayed in a conspicuous place on the premises of the chancery as stated in the Financial Order.

It was recommended that the HOC should ensure the display of visa fees in a conspicuous place in the Embassy.

## **2. Embassy Visa Fees**

An examination of the Visa Stickers, General Receipts and Visa Fees Register revealed that amounts, totalling \$17,600.00 were collected as Visa Fees for the period 2007 to date. Further examination of the Paying-in-Slips and Bank Statements revealed that the sum of \$16,600 was banked, but an outstanding balance of \$1,000.00 was not banked.

In addition, \$700 was withdrawn from the Consular Account without any explanation for the withdrawal.

The following were recommended:

- ▶ All funds collected must be promptly banked by the HOC;
- ▶ Mechanisms were to be urgently put in place by the MOFED, to ensure that bank accounts opened specifically for the payment of consular income were not easily accessible by the Embassy staff; and
- ▶ In the event that there was the urgent and pressing need for funds to be used from such fees, it must only be done on the written authority of the Ministry of Finance and Economic Development , the Ministry of Foreign Affairs and International Cooperation and the Accountant General.

## **3. Staff matters**

A review of the payroll of local staff of the Embassy revealed the following:

- ▶ Personal files of local staff were not maintained;
- ▶ None of the staff had employment letters;
- ▶ No record of incremental letters was kept;
- ▶ There was no written down policy guiding the terms and conditions of the service of local staff employed by the Embassy;
- ▶ The procedure for recruiting local staff was not identified. There was no evidence of interviews or authority from the Ministry of Foreign Affairs and International Cooperation for their employment;

- ▶ The names of staff who were no longer working for the Embassy had not been removed from the Payroll and replaced by the names of their successors; and
- ▶ It was observed that for the period under review, NASSIT contributions had only been deducted from the Salaries of three members of staff of the Embassy. For the remaining staff, NASSIT contributions had only been deducted from their earnings between the period July to December, 2005.

The following were recommended;

- ▶ A staff policy should be developed and circulated to all staff as soon as possible. This will guide the Embassy authorities in dealing with local staff in the future;
- ▶ All staff should be recruited through a proper recruitment process. Such procedure should be developed as soon as possible to guide future recruitment of local staff;
- ▶ The names of those who no longer worked for the Embassy should be immediately replaced in the Embassy's Payroll; and
- ▶ No funds should be paid to any staff except those approved by the MFAIC and the MOFED.

#### **4. Payment Vouchers**

It was observed that some payment vouchers were not verified and approved by the HOC. In addition, Payment vouchers were often not signed by the recipients of funds for goods bought by or services rendered to the Embassy. Furthermore, amounts were only written in figures and not in words on the payment vouchers.

It was recommended that all Payment Vouchers must be signed by the HOC before any payment. Also, officers authorising Payment Vouchers must ensure that amounts stated in figures should also be written in words to prevent the risk of expenditure being overstated.

#### **5. Telephone Bills**

Reviewing the Payment Vouchers and other supporting documents relating to telephone bills, we observed an amount of \$17,293.90 as a difference between amount consumed and entitlements.

It was recommended that, with immediate effect, steps should be taken to ensure that all telephone calls were monitored and recorded, using the recommended format for authorizing and monitoring all calls.

It was also recommended that overpayments of telephone bills be recovered from the officers concerned.

## **6. Cash and Bank**

The following were observed;

- ▶ A Cash Book was not maintained for the Consular Account and thus no reconciliation was performed;
- ▶ Bank Reconciliation Statements prepared by the Finance Clerk for the operational account were not reviewed by the HOC; and
- ▶ Upon review of the Cash Book and Bank Statements, we observed that the sum of \$ 13,678.70 was transferred into a credit card and the reason for the transfer was not proffered. Evidence of how these amounts were spent was also not provided.

It was recommended that, with immediate effect, proper Bank Reconciliation Statements should be prepared on a monthly basis and approved by the HOC and a proper explanation must be given for the monies transferred to the credit card. All supporting documents relating to the expenditure must also be provided for audit inspection.

## **7. Fixed Assets and Stores**

It was observed that assets were not properly recorded in the Master Inventory and items in all residences and the Chancery Office were not marked, signifying ownership by the Embassy.

In addition, there was no evidence of checks being done to ensure that items in various locations used by the Embassy were not missing and in good condition. In any case, assets were found to be missing when a verification exercise was conducted at the Ambassador's residence.

The following were recommended:

The HOC must ensure that the location and state of the Embassy's assets were checked on a regular basis. Evidence of such checks must be documented,

Proper identification marks must be affixed on all Fixed Assets owned by the Embassy with immediate effect, and all assets not seen must be accounted for.

## **8. Use of Pooled (Utility) Vehicles of the Embassy**

The following were observed;

- ▶ A fuel log book or operating record was not maintained for the period under review;
- ▶ There was no maintenance policy in place for pooled vehicles; and
- ▶ There was no laid down policy on fuel expenses and usage.

It was highly recommended that, with immediate effect, a vehicle log book be instituted and a written down policy be drawn up as a guide to fuel usage and maintenance.

## **9. Remittances to the Embassy**

It was noted that remittances for Personnel Emoluments and Other Charges expenditure continued to reach the Embassy's bank account. However, such remittances were not received on a timely basis

## **10. Cash payments**

During the course of the audit, it was observed that significant amounts of money were paid out as cash payments. Such payments included those to contractors and payments for salaries, wages, and Petty Cash expenditure.

It was recommended that limits should be set for what can be paid for by cash. All major expenditure such as major repairs and maintenance, travelling cost etc should be made using the cheque system. This would ensure that the use of Government funds could be easily and readily monitored and accountability for such funds be assured.

***The HOC did not respond to the above audit observations and findings and has thus violated Government Budgetary and Accountability Act Section 64 (3) which states that; "Every query or observation under subsection (2) received by the Accountant-General or any other person shall, within thirty days after its receipt by that person, be returned by him, with the necessary reply to the Auditor-General".***