
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



AUDIT SERVICE SIERRA LEONE

2nd Floor, Lotto Building, Tower Hill, Freetown, Sierra Leone, West Africa

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Abbreviations and acronyms

AfDB-African Development Bank

ASSL-Audit Service Sierra Leone

CRF-Consolidated Revenue Fund

DFID-Department for International Development

GOSL-Government of Sierra Leone

NRA-National Revenue Authority

MoFED-Ministry of Finance and Economic Development

NASSIT-National Social Security and Insurance Trust

PFMICP-Public Financial Management Improvement and Consolidation Project

SAI-Supreme Audit Institution

SLL-Sierra Leone Leones

General Information

Head Office:

2nd Floor, State Lottery Building, Tower Hill, Freetown, Sierra Leone

Principal Activity:

Audit Service Sierra Leone, audits the Sierra Leone economy, reporting on the efficiency and effectiveness with which the government entities use their resources in carrying out their responsibilities. The Auditor-General is the independent auditor reporting to Parliament.

Members of the Board of Directors:

Mr. Jonathan A. Thomas	Chairman
Mrs. Marcella Jones	Member
Mrs. Estina Kabia	Member
Mrs. Lara Taylor-Pearce	Member
Dr. Amadu Max Sesay	Member

Secretary to the Board:

Mrs. Fatmata Binta Bah

Legal Advisers:

F.A.M. Carlton Hanciles, 10 Charlotte Street, Freetown

Bankers:

Sierra Leone Commercial Bank, Siaka Stevens Street, Freetown

Rokel Commercial Bank, Siaka Stevens Street, Freetown

Auditors:

LKG Accountants, Chartered Accountants, Freetown, Sierra Leone



CHARTERED ACCOUNTANTS AND BUSINESS ADVISERS

Independent Auditors' Report to Parliament

Report on the Financial Statements

We have audited the financial statements of Audit Service Sierra Leone which comprise the Statement of Financial Position, as at 31 December 2017, the Statement of Financial Performance and the Statement of Cash Flows for the year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements so as to give a true and fair view in accordance with International Public Sector Accounting Standards (IPSAS) Accruals and the requirements of the Sierra Leone Public Financial Management Act 2016. Management is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing (UK and Ireland adopted in Sierra Leone). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material

misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit and fair procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Audit Service Sierra Leone as at 31 December 2017 and of its financial performance and cash flows for the year in accordance with International Public Sector Accounting Standards (IPSAS) Accruals and the requirements of the Sierra Leone Public Financial Management Act 2016.

LKG Accountants

Chartered Accountants

Freetown



**Statement of Financial Performance for the year ended 31
December 2017**

	Notes	2017 SLL	2016 SLL
Income	6	36,322,899,144	30,987,536,602
Expenditure	7	30,936,313,962	31,637,818,152
Income Surplus/(Deficit)		5,386,585,182	(650,281,550)

Statement of Financial Position as at 31 December 2017

	Notes	2017 SLL	2016 SLL
NON-CURRENT ASSETS			
Intangible Assets	5.2	27,499,483	20,445,480
Tangible Assets			
Property, Plant and Equipment	4	1,353,049,909	1,675,002,684
Work In Progress	5.1	<u>6,871,336,976</u>	<u>6,871,336,976</u>
Total non-Current Assets		<u>8,251,886,368</u>	<u>8,566,785,140</u>
CURRENT ASSETS			
Trade and Other Receivables	8	5,947,263,316	836,339,376
Prepayments	8.4	447,253,857	455,076,004
Cash and Bank Balances	9.1 & 9.2	<u>8,375,055,062</u>	<u>6,535,623,140</u>
Total Current Assets		<u>14,769,572,235</u>	<u>7,827,038,520</u>
Total Assets		<u>23,021,458,603</u>	<u>16,393,823,660</u>
Equity and Liabilities			
Accumulated Fund	13	<u>18,829,071,209</u>	<u>13,279,971,005</u>
Total Reserves		<u>18,829,071,209</u>	<u>13,279,971,005</u>
Non-current Liabilities			
Amount falling due after more than one year			
Staff Severance Pay Provision	10.1	3,647,987,948	2,676,724,993
Current Liabilities			
Amount falling due within one year			
Trade and Other Payables	10	<u>544,399,446</u>	<u>437,127,662</u>
Total Liabilities		<u>4,192,387,394</u>	<u>3,113,852,655</u>
Total Equity and Liabilities		<u>23,021,458,603</u>	<u>16,393,823,660</u>

In approving these financial statements as Management of Audit Service Sierra Leone we hereby confirm that we acknowledge our responsibilities:

- (1) for ensuring that Audit Service Sierra Leone keeps accounting records which comply with the requirements of the Sierra Leone Public Financial Management Act 2017; and
- (2) for preparing financial statements which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of its surplus or deficit income for the year ended in accordance with the provisions of International Public Sector Accounting Standards (IPSAS) Accruals relating to financial statements, so far as applicable to the Service.

The financial statements were approved by the Management on 19th June
----- 2018 and signed on its behalf by:

Signature:

Auditor-General



Date

19/6/18

Secretary to the Board



Date

19th June 2018

Statement of Cash Flow for the year ended 31 December 2017

	2017 SLL	2016 SLL
Cash flow from operating activities		
Net Surplus/(Deficit) for the year	5,386,585,182	(650,281,550)
Adjusted for:		
Depreciation	653,602,768	617,826,795
Amortisation of Intangible Assets	3,583,497	2,519,748
Impairment	1,283,400	-
Operating Surplus before Working Capital Changes	6,045,054,847	(29,935,007)
Increase in Trade and Other Receivables	(5,110,923,940)	(577,389,376)
Decrease in Prepayment	7,822,148	243,057,265
Increase in Trade and Other Payables	1,078,534,739	1,280,873,159
Net cash flow from operating activities	2,020,487,794	916,606,041
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(332,933,393)	(1,386,077,626)
Purchase of Intangible Assets	(10,637,501)	(2,875,000)
Net Cash used in Investing Activities	(343,570,894)	(1,388,952,626)
Prior Year Adjustments	-	9,860
Net increase/(decrease) in cash and cash equivalents	1,676,916,900	(472,336,725)
Exchange Gain	162,515,022	133,830,365
Cash and cash equivalent at start of the period	6,535,623,140	6,874,129,500
Cash and cash equivalent at end of the period	8,375,055,062	6,535,623,140
Analysis of cash and cash equivalents		
Consisting of:		
Cash at bank and in hand	8,375,055,062	6,535,623,140
	8,375,055,062	6,535,623,140

**Statement of Changes in Equity for the year ended 31
December 2017**

	<u>Exchange Rate Gain</u> <u>SLL</u>	<u>Retained Earnings</u> <u>SLL</u>	<u>Total</u> <u>SLL</u>
Year Ended 31 December 2017			
At start of the year	256,180,856	13,023,790,149	13,279,971,005
Result for the year	-	5,386,585,182	5,386,585,182
Prior Year Adjustment	-	-	-
Exchange Rate Gain	<u>162,515,022</u>	<u>-</u>	<u>162,515,022</u>
At the end of the year	<u>418,695,878</u>	<u>18,410,375,331</u>	<u>18,829,071,209</u>
	<u>Exchange Rate Gain</u> <u>SLL</u>	<u>Retained Earnings</u> <u>SLL</u>	<u>Total</u> <u>SLL</u>
Year Ended 31 December 2016			
At start of the year	122,350,491	13,548,661,987	13,671,012,478
Prior Year Adjustment	-	(650,281,550)	(650,281,550)
Result for the year	-	125,409,712	125,409,712
Exchange Rate Gain	<u>133,830,365</u>	<u>-</u>	<u>133,830,365</u>
At the end of the year	<u>256,180,856</u>	<u>13,023,790,149</u>	<u>13,279,971,005</u>

Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2017

Annual Operational objectives	<u>Programme budget utilisation</u>	<u>Programme budget 2017</u>	<u>Variance</u>
	SLL	SLL	SLL
Income			
GOSL-Capacity Building Project	1,629,839,200	1,599,653,000	30,186,200
Audit Fees(Income)	1,994,500,000	1,767,500,000	227,000,000
GOSL- Other Charges	5,481,800,000	6,966,211,278	(1,484,411,278)
GOSL-Grant	4,601,343,694	2,721,940,000	1,879,403,694
AfDB Support to ASSL ACCA Scheme	3,950,000	-	3,950,000
GOSL-Salaries	22,605,966,250	28,495,678,133	(5,889,711,883)
Sale of Bid Document	5,500,000	-	5,500,000
Total Income	36,322,899,144	41,550,982,411	(5,228,083,267)
Expense			
Audit Fees	65,000,000	87,600,000	22,600,000
Audit Fees transfer to CRF	515,395,000	457,500,000	(57,895,000)
Bonus	1,021,990,520	1,283,190,202	261,199,682
Directors Allowances	92,400,000	108,000,000	15,600,000
Gratuity paid during the year and provision for 2017	2,126,625,003	1,283,190,202	(843,434,801)
Local Travelling	461,585,478	1,088,977,500	627,392,022
Overseas Travelling	1,183,486,236	844,113,600	(339,372,636)
Overseas Training	734,514,668	1,292,976,000	558,461,332
Leave Allowance	1,738,260,546	2,889,302,453	1,151,041,907
Electricity	132,169,970	133,258,522	1,088,552
Water Charges	20,188,712	27,594,000	7,405,288
Telephone & other Communication	328,823,676	351,297,900	22,474,224
Life Assurance Policy	33,216,275	38,325,000	5,108,725
Medical Allowances	266,081,474	286,500,000	20,418,526
NASSIT (10%)	1,213,008,096	1,529,532,243	316,524,147
Overtime	32,242,911	54,000,000	21,757,089

Rent and Rates	464,162,661	453,330,000	(10,832,661)
Salaries	16,461,739,575	20,995,963,033	4,534,223,458
Sitting fees	61,200,000	60,000,000	(1,200,000)
Staff welfare Contributions	30,000,000	-	(30,000,000)
Wages	29,607,451	6,000,000	(23,607,451)
Office & General	261,439,953	277,254,000	15,814,047
Stationery	77,180,450	177,982,395	100,801,945
Computer Consumables	67,101,817	174,332,194	107,230,377
Advertisement	56,598,110	156,717,450	100,119,341
Printing and Publicity	223,398,100	233,782,500	10,384,400
Building (Maintenance)	33,261,000	245,280,000	212,019,000
Machinery & Furniture			
Maintenance	19,012,000	116,508,000	97,496,000
Vehicles Maintenance	350,807,573	375,366,000	24,558,427
Generator Running Cost	21,024,727	137,970,000	116,945,273
Vehicle Insurance & Licensing	118,462,919	233,782,500	115,319,581
Bank Charges	143,617,258	99,505,875	(44,111,383)
Subscription & Membership dues	36,155,600	38,325,000	2,169,400
Training & Recruitment (Local)	183,706,052	42,495,000	(141,211,052)
Professional Fees	1,157,121,550	2,443,970,000	1,286,848,450
Overseas Audit	-	448,665,300	448,665,300
Solicitor Fee	15,000,000	18,250,000	3,250,000
Uniforms	25,904,000	30,879,000	4,975,000
Transport, Fuel and Oil	409,399,936	393,105,000	(16,294,936)
Furniture	63,983,000	233,641,245	169,658,245
Plant and Equipment	174,882,000	230,190,900	55,308,900
Computers and Ancillary	94,068,393	5,465,791,250	5,371,722,857
Intangible asset	10,637,501	23,400,000	12,762,500
Total expense	30,554,460,190	44,867,844,264	14,313,384,074

Notes to the Financial Statements for the year ended 31 December 2017**1. Reporting Entity**

Audit Service Act (ASA) was passed by Parliament on 9 July 1998, and the Statutory Instrument by H.E The President, Dr. Alhaji Ahmad Tejan Kabba on the 18th day of November 2004. Audit Service Sierra Leone commenced operation under the Audit Service Act on 1 October 2004.

Implementation of the 1998 Act started in the year 2000 when the Board members were appointed by the President and ratified by Parliament. The Service Act has since been repealed and replaced by the Audit Service Act 2014.

2. Significant Accounting Policies

The accounting policies set out below have been consistently applied.

2.1.1 Basis of Preparation**Statement of Compliance**

The Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) (accruals) and Section 14 (1) of the Audit Service (ACT), 2014.

2.2 Functional and presentation currency

These financial statements are presented in Leones, which is the Audit Service functional currency. Financial information presented has been rounded up to the nearest Leones. Foreign currencies other than its functional currency are recorded at

**Notes to the Financial Statements for the year ended 31 December 2017
continued**

the foreign exchange rate in force at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the year-end date are translated at the foreign exchange rate in force at that date. Foreign exchange differences arising on translation are recognised in the statement of financial performance within comprehensive income or expense, as appropriate. Non-monetary assets that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

2.3 Property, Plant and Equipment**2.3.1 Recognition and Measurement**

Items of property, plant and equipment assets are measured at cost less accumulated depreciation and impairment losses.

2.3.2 Depreciation/Impairment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Parts of an item of property, plant and equipment having different useful lives are accounted for as separate items. Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment and is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

**Notes to the Financial Statements for the year ended 31 December 2017
continued**

The estimated useful lives are as follows:

	Years	Percentage (%)
Motor Vehicle	4	25
Furniture and Fittings	5	20
Computer and Accessories	4	25
Plant and Machinery	5	20

2.4 Intangible assets

Capitalized intangible expenditure and software and licenses that are acquired by the Audit Service and have a limited useful life, are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life of intangible assets is ten (10) years.

2.5 Revenue

The principal source of revenue generation represents income receivable from government of Sierra Leone for salary and re-current expenditure. Audit Service also received income from audit services rendered to departments, parastatals and agencies of the government of Sierra Leone provided during the year. Where the result/outcome of a government sub-vention and/or a transaction can be measured reliably, income associated with the transaction is recognised in the statement of

**Notes to the Financial Statements for the year ended 31 December 2017
continued**

financial performance by reference to the government allocation request sent to the Ministry of Finance and Economic Development (MoFED) and the stage of completion of audit services at the year end, provided that a right to consideration has been obtained through the approval of Audit Service annual budget or signed audit engagement with client.

2.6 Welfare Fund

The fund is self-contributory by staff and was set up to alleviate urgent financial needs of members of staff.

2.7 Trade and other receivables

Trade and other receivables (except unbilled amounts for client work) are initially recognised at fair value or at their nominal amount less impairment losses if outstanding for more than 12 months.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances both at the bank and in hand. The cash and cash equivalents are stated at their face values, as this approximates to amortised cost.

**Notes to the Financial Statements for the year ended 31 December 2017
continued****2.9 Trade and other payables**

Trade and other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

2.10 Provisions

A provision is recognised when the Audit Service has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are made for the present value of contract already signed during the year that could lead to an outflow of resources.

2.11 Employee benefit

Audit Service operates on define contribution and defined benefit plan of post-employment benefit plan. Define contribution plans are post-employment benefit plans under which Audit Service pays fixed contributions of the employees' basic salary in to National Social Security and Insurance Trust (NASSIT) and will not have any legal or constructive obligation to pay further contributions at the end of the employment service.

Defined benefit plan on the other hand is one in which an employee who has completed a minimum number of years of continuous service and whose

**Notes to the Financial Statements for the year ended 31 December 2017
continued**

employment comes to an end as a result of retirement, resignation, death or termination shall be entitled to this gratuity benefit.

2.12 Other disclosures**2.12.1 External support****2.12.1.1 Department for International Development (DFID):**

The Department for International Development (DFID) has been providing technical support to Audit Service in the form of coaching, mentoring and logical support. The amounts included in revenue are the cost of logistical support received during the year. The logistic support is both capital and revenue expenditure. Cost that relates to capital expenditure is initially recognised as non-current assets and is depreciated over the useful life of computers and accessories and cost that relates to revenue expense are written-off as incurred. The cost of technical assistance is not reflected in the Financial Statements as Audit Service is only receiving the benefit in kind. The project however ended on 31 December 2016.

2.12.1.2 African Development Bank

African Development Bank (AfDB) under the project Public Financial Management and Business Enabling Support Project (PFMBESP) has been supporting staff of Audit Service in capacity development in Association of Chartered Certified

**Notes to the Financial Statements for the year ended 31 December 2017
continued**

Accountants exams (ACCA) and logistical support. The amount stated in the financial statements as income is consideration received for 2017.

2.12.2 Government grant**2.12.2.1 Public Finance Management Improvement and Consolidation Project (PFMICP)**

Audit Service Sierra Leone has been benefiting from a government grant under the project Public Financial Management Improvement and Consolidation Project (PFMICP) that is co-funded by International Development Association (IDA), Multi-Donor Trust Fund (MDTF) and African Development Bank (AfDB). The amounts received are initially recognised as revenue at the foreign exchange rate in force at the date of the transaction.

2.12.2.2 Supreme Audit Institution Capacity Development Project (SAICDP)

The World Bank Group, through its agency - the International Development Association (IDA) – acting as administrator of grant funds under the Supreme Audit Institution Capacity Development (SAICD) Multi Donor Trust Fund, is providing a grant to Audit Service Sierra Leone (ASSL) to strengthen its professional capacity to deliver quality public sector audit. The objective of the Capacity Building Project Grant is to improve the efficiency of public sector audit, thereby strengthening external oversight of the management of public resources in Sierra Leone. The project hopes to capacitate staff of Audit Service Sierra Leone on their financial oversight roles to ensure transparency and accountability on the use of public funds.

Notes to the Financial Statements for the year ended 31 December 2017
continued**2.12.2.3 Land in the provinces**

Audit Service Sierra Leone has Land that was given by Government that is situated in Makeni (Mena Hills), Bo (Government reservation) and Kenema (Maxwell Khobe Street). The value of these lands are yet to be determined and thus not reflected in the financial statements.

3 Board Members' Interest

None of the board members had or has any interest in any contract or arrangement of significance to which the Audit Service Sierra Leone was or is a party.

4.Non- Current Assets	<u>Motor Vehicle</u>	<u>Furniture and Fittings</u>	<u>Computers and Accessories</u>	<u>Plant and Machinery</u>	<u>Total</u>
Cost or Valuation	SLL	SLL	SLL	SLL	SLL
As at 01 January 2017	2,483,592,453	195,295,200	1,364,109,967	421,281,749	4,464,279,369
Additions	-	63,983,000	94,068,393	174,882,000	332,933,393
Disposals	-	-	(81,997,500)	(12,662,000)	(94,659,500)
Impairment	-	(1,283,400)	-	-	(1,283,400)
As at 31 December 2017	2,483,592,453	257,994,800	1,376,180,860	583,501,749	4,701,269,862
Depreciation					
As at 01 January 2017	1,900,278,540	92,658,378	584,492,367	211,847,400	2,789,276,685
Disposal Release	-	-	(81,997,500)	(12,662,000)	(94,659,500)
Charge for the year	194,437,960	43,261,893	306,123,965	109,778,950	653,602,768
As at 31 December 2017	2,094,716,500	135,920,271	808,618,832	308,964,350	3,348,219,953
Net Book Value					
As at 01 January 2017	583,313,913	102,636,822	779,617,600	209,434,349	1,675,002,684
As at 31 December 2017	388,875,953	122,074,529	567,562,028	274,537,399	1,353,049,909

**Notes to the Financial Statements for the year ended 31 December 2017
continued****Disposal**

The disposal during the year is as a result of assets that have been fully depreciated and beyond repairs.

Impairment of Assets

The impairment is in respect of two chairs which have been damaged and beyond repairs.

	SLL 2017	SLL 2016
5.1 Work In Progress		
Balance Brought Forward	6,871,336,976	6,871,336,976
Payment during the year	-	-
Balance Carried Forward	<u>6,871,336,976</u>	<u>6,871,336,976</u>
The work in progress relates to Audit Service Sierra Leone, building-in-progress.		
5.2 Intangible Assets		
Cost or Valuation		
Balance Brought Forward	25,197,475	22,322,475
Payment during the Year	10,637,501	2,875,000
As at 31 December 2017	<u>35,834,976</u>	<u>25,197,475</u>
Amortisation of Intangible Assets		
Balance Brought Forward	4,751,996	2,232,248
Amortisation Charge for the Year	3,583,497	2,519,748
As at 31 December 2017	<u>8,335,493</u>	<u>4,751,996</u>
Carrying Value		
As at 31 December 2017	<u>27,499,483</u>	<u>20,445,480</u>

Notes to the Financial Statements for the year ended 31 December 2017 continued

	2017	2016
	SLL	SLL
6. Income		
GOSL-Subvention (6.1)	28,087,766,250	27,187,183,454
Government Grant (6.2)	4,601,343,694	1,050,937,620
Government Grant (6.3)	3,950,000	4,578,800
Department for International Development Government Grant-SAI Capacity Building Project (6.4)	1,629,839,200	-
Income Generated from Audit Fees (6.5)	1,994,500,000	1,468,000,000
Other Income (6.6)	5,500,000	5,000,000
	<u>36,322,899,144</u>	<u>30,987,536,602</u>
6.1 GOSL-SUB-VENTION		
GOSL-Salaries	22,605,966,250	22,306,283,454
GOSL-Other Charges	5,481,800,000	4,880,900,000
	<u>28,087,766,250</u>	<u>27,187,183,454</u>
6.2 Government Grant		
International Development Association (\$534,414.56*SLL7,396.08)	3,952,572,839	825,595,620
Multi-Donor Trust Fund	-	225,342,000
African Development Bank (AfDB) (\$86,299*SLL7,517.71)	648,770,855	-
	<u>4,601,343,694</u>	<u>1,050,937,620</u>
6.3 Government Grant		
Integrated Project Administration Unit (IPAU)	3,950,000	4,578,800
	<u>3,950,000</u>	<u>4,578,800</u>
6.4 Government Grant-SAI Capacity Building Project		
International Development Association (\$220,000*SLL7,408.36)	1,629,839,200	-
	<u>1,629,839,200</u>	<u>-</u>

Note: Exchange rates used are always rates published by Bank of Sierra Leone at the time of receipt.

Notes to the Financial Statements for the year ended 31 December 2017 continued

	2017 SLL	2016 SLL
6.5 Income Generated from Audit Fees		
National Public Procurement Authority (NPPA)	-	18,000,000
Statistics Sierra Leone	42,500,000	42,500,000
Sierra Leone Insurance Commission	29,000,000	27,500,000
National Electoral Commission	132,500,000	40,000,000
Independent Media Commission	7,000,000	7,000,000
Anti-Corruption Commission	-	40,000,000
Human Rights Commission Sierra Leone	9,000,000	34,000,000
National Telecommunication	107,500,000	-
National Revenue Authority	330,000,000	-
SIERRATEL	145,000,000	70,000,000
National Social Security & Insurance Trust	150,000,000	190,000,000
Petroleum Directorate	61,500,000	19,500,000
Sierra Leone Agricultural Research Institute	22,000,000	30,000,000
Sierra Leone Airport Authority	140,000,000	125,000,000
Sierra Leone Ports Authority	125,000,000	125,000,000
Sierra Leone Maritime Administration	42,000,000	-
Eastern Polytechnic	25,000,000	33,500,000
Road Maintenance Fund Administration	60,000,000	105,000,000
Justice Sector Coordination Office	14,000,000	11,500,000
Nuclear Safety and Radiation Protection Authority	-	15,000,000
Corporate Affairs Commission	11,000,000	11,000,000
National Youth Commission	15,000,000	7,500,000
National Minerals Agency	47,500,000	20,000,000
Office of Ombudsman	-	29,000,000
Sierra Leone Road Safety Authority	76,000,000	76,000,000
The Office of National Security	17,500,000	17,500,000
Guma Valley Water Company	-	100,000,000
Political Parties Registration Commission	7,500,000	7,500,000
Parliamentary Service Commission	5,000,000	2,500,000
African Capacity Building Foundation Project	5,000,000	2,500,000
Financial Intelligence Unit	11,000,000	11,000,000
Sierra Leone Stock Exchange Company Limited	12,000,000	-
National Protected Area Authority	10,000,000	10,000,000
National Power Authority	225,000,000	225,000,000
Central Intelligence and Security Unit	15,000,000	15,000,000
Constitutional Review Committee	50,000,000	-
Njala University	45,000,000	-
	1,994,500,000	1,468,000,000

Notes to the Financial Statements for the year
ended 31 December 2017 continued

	2017 SLL	2016 SLL
6.6 Other Income		
Sale of Bid Document	5,500,000	5,000,000
	<u>5,500,000</u>	<u>5,000,000</u>
7. Expenditure		
Salaries and Wages (7.1)	22,919,555,577	23,253,949,365
Directors' Fees and Allowances (7.2)	153,600,000	132,590,000
Administrative Costs (7.3)	7,863,158,385	8,251,278,787
	<u>30,936,313,962</u>	<u>31,637,818,152</u>
7.1 Employee Benefits		
Salaries	16,461,739,575	15,951,397,067
Wages	29,607,451	29,805,631
Bonus	1,021,990,520	957,642,030
Leave Allowance	1,738,260,546	3,097,543,848
Overtime	32,242,911	50,114,044
NASSIT (Employers' Contribution 10%)	1,213,008,096	1,161,317,374
Gratuity paid during the year	1,155,362,049	718,368,040
Medical Allowances	266,081,474	268,550,000
Provision for Gratuity	971,262,955	975,961,331
Staff welfare contribution	30,000,000	43,250,000
	<u>22,919,555,577</u>	<u>23,253,949,365</u>
7.2 Directors Fees and Allowances		
Monthly Allowance	92,400,000	86,490,000
Sitting Fees	61,200,000	46,100,000
	<u>153,600,000</u>	<u>132,590,000</u>

Notes to the Financial Statements for the
year ended 31 December 2017 continued

7.3 Administrative Costs

	2017 SLL	2016 SLL
Office and General	261,439,953	285,547,361
Overseas Travelling	1,183,486,236	1,421,562,757
Overseas Training	734,514,668	1,018,500,321
Local Travelling	461,585,478	549,018,634
Training and Recruitment (Local)	183,706,052	165,900,598
Transport, Fuel and Oil	409,399,936	254,700,852
Electricity and Water Charges	152,358,682	67,125,065
Telephone and Other Communication	328,823,676	287,681,250
Printing and Publicity	223,398,100	292,234,500
Repairs and Maintenance vehicle	350,807,573	306,668,343
Repairs and Maintenance-building	33,261,000	29,137,700
Repairs and Maintenance-machinery and furniture	19,012,000	9,697,500
Generator maintenance	21,024,727	10,884,863
Life Assurance Policy	33,216,275	29,449,208
Solicitor's fee	15,000,000	15,000,000
Membership dues to Professional Institutions	36,155,600	26,574,950
Uniforms	25,904,000	27,984,000
Professional Fee	1,157,121,550	534,255,439
Rent & Rates	464,162,661	359,966,478
Stationery	77,180,450	55,178,250
Depreciation charge for the year (see note 4)	653,602,768	617,826,795
Amortisation of intangible asset (see note 5.2)	3,583,498	2,519,748
Bank Charges	143,617,258	147,377,277
Bad Debt written off (see note 8.3)	14,400,000	3,000,000
Provision for External Audit fee 2017 Financial Statement	65,000,000	65,000,000
Audit Fees and sale of bid document transfer to CRF	515,395,000	618,800,000
Computer consumables	67,101,817	511,347,611
Advertisement	56,598,110	73,563,250
Vehicle insurance and license	118,462,919	137,257,567
Overseas audit	-	282,168,470
Impairment of asset (see note 5.2)	1,283,400	-
Withholding tax deducted from audit fees invoiced	52,555,000	45,350,000
	<u>7,863,158,385</u>	<u>8,251,278,787</u>

Notes to the Financial Statements for the year
ended 31 December 2017 continued

	2017 SLL	2016 SLL
8 Trade and Other Receivables		
Trade Receivables (8.1)	321,600,000	279,500,000
Other Receivables (8.2)	5,625,663,316	556,839,376
	<u>5,947,263,316</u>	<u>836,339,376</u>
8.1 Trade Receivables		
Statistics Sierra Leone	-	42,500,000
Road Maintenance Fund Administration	30,000,000	52,500,000
Financial Intelligence Unit	-	11,000,000
Guma Water Company	-	50,000,000
Bo Kenema Power Station (see note 8.3)	13,500,000	27,000,000
National Revenue Authority	165,000,000	-
Constitutional Review Committee	25,000,000	-
Sierra Leone Maritime Administration	21,000,000	-
Eastern Polytechnic	-	11,500,000
Justice Sector Coordination Office	5,000,000	-
Human Rights Commission	17,100,000	9,000,000
Sierra Leone Road Safety Authority	-	76,000,000
Njala University	45,000,000	-
	<u>321,600,000</u>	<u>279,500,000</u>
8.2 Other Receivables		
Maersk Sierra Leone Ltd (refund of security deposit for the clearing of one prado)	-	1,310,000
Refund on air ticket from AFROSAI-E for three staff	-	44,695,976
Refund on rent for Performance Audit Consultant (Hedjazi)	-	10,833,400
Other Charges allocation for 2016	-	500,000,000
Salary request for December and Other Charges second half part balance outstanding	5,625,663,316	-
	<u>5,625,663,316</u>	<u>556,839,376</u>

Notes to the Financial Statements for the year
ended 31 December 2017 continued**8.3 Provision for bad debts**

Allowance for receivables is calculated as follows:

Length of time	Allowance (%)	Outstanding Debt
0-1 Year	Nil	Nil
1 - 2 Years	10	9,000,000
2 - 4 Years	50	27,000,000
Above 4 Years	100	Nil

The 1-2 years relates to Human Rights Commission and 2-4 years relates to Bo Kenema Power Station

	2017 SLL	2016 SLL
8.4 Prepayments		
Kenema rent prepaid	24,750,000	24,750,000
Lotto rent prepaid	220,108,357	169,654,558
Makeni rent prepaid	4,500,000	4,000,000
National Insurance Company - Life Assurance Prepaid	17,358,949	18,375,083
National Insurance Company - vehicle insurance prepaid	60,027,040	58,642,349
National Petroleum Company (Advance for Fuel) Office and General prepaid	24,318,000	50,606,490
Prepayment of membership subscription	-	3,280,000
Overseas Travelling advance (cost of workshop and air ticket)	-	24,750,000
Happy Kids rent prepaid	-	35,767,500
Telephone and Communication advance	68,778,005	65,250,024
	27,413,505	-
	447,253,857	455,076,004

Notes to the Financial Statements for the year
ended 31 December 2017 continued

9.1 Bank Balances

	2017 SLL	2016 SLL
Sierra Leone Commercial Bank Other Charges Account	506,786,985	1,034,919,384
Sierra Leone Commercial Bank Training Account	381,310,230	241,956,136
Rokel Commercial Bank Salary Account	1,860,499,228	4,838,788,335
Sierra Leone Commercial Bank PFMIC Project	4,158,152,098	418,455,285
Sierra Leone Commercial Bank SAI Project	1,464,824,521	-
	<u>8,371,573,062</u>	<u>6,534,119,140</u>

9.2 Cash In Hand

Lotto Building	2,669,000	1,062,000
Youyi Building	160,000	13,000
Kenema Division	477,000	235,000
Makeni Division	76,000	194,000
Bò Division	100,000	-
	<u>3,482,000</u>	<u>1,504,000</u>

10. Trade and Other Payables

Accruals: Performance Audit Consultant fee for December	72,957,773	61,600,968
Accruals: signed contract	28,940,000	77,610,000
Accruals: Graphic Design Consultancy fee for December 2017	21,534,065	-
NRA-Withholding Tax	22,979,464	41,241,994
Provision for external audit fees	75,000,000	75,000,000
Staff Welfare Contribution	55,698,144	65,530,500
Other current liabilities: Office World	-	1,444,200
Other current liabilities: audit fees to be transferred to Consolidated Revenue Fund	267,290,000	114,700,000
	<u>544,399,446</u>	<u>437,127,662</u>

10.1 Non-current Liabilities

Balance Brought Forward	2,676,724,993	1,700,763,663
Provision during the year	971,262,955	975,961,330
	<u>3,647,987,948</u>	<u>2,676,724,993</u>

Notes to the Financial Statements for the year ended 31 December 2017 continued**11.0 Financial Instruments**

The principal financial instruments used by the Service, from which financial instrument risk arises are as follows:

- i) Trade and other receivables
- ii) Cash and Cash Equivalents
- iii) Trade and Other Payables

	2017	2016
	SLL	SLL
11.1 Financial Assets		
Cash and cash equivalents	8,375,055,062	6,535,623,140
Trade and other receivables	6,394,517,173	1,011,915,380
	<u>14,769,572,235</u>	<u>7,547,538,520</u>
11.2 Financial Liabilities		
Trade and other payables	4,192,387,394	3,113,852,655
	<u>4,192,387,394</u>	<u>3,113,852,655</u>
12. Accumulated Fund		
Balance Brought Forward	13,279,971,005	13,671,012,478
Exchange rate gain	162,515,022	133,830,365
Prior period adjustment	-	125,409,712
Surplus/(deficit) for the year	5,386,585,182	(650,281,550)
At 31 December 2017	<u>18,829,071,209</u>	<u>13,279,971,005</u>

13. Capital Commitments

For the year ended 31 December 2017, there were no capital commitments (31 December 2016 Nil)

14. Contingent Assets and Liabilities

As at 31 December 2017 there were no contingent assets or liabilities that need to be disclosed under IAS 37(2016 Nil).

**Notes to the Financial Statements for the year ended 31 December 2017
continued****15. Events after the reporting date**

There were no events that occurred after the financial year end that materially affected the financial position as at 31 December 2017.

16. Note supporting statement of cash flows

Cash and cash equivalent for the purposes of statement of cash flows comprises:

	2017 SLL	2016 SLL
Cash at bank available on demand	8,371,573,062	6,534,119,140
Cash in hand	3,482,000	1,504,000
	<u>8,375,055,062</u>	<u>6,535,623,140</u>

17. Reconciliation of Expenditure in Accounts to Budget Utilisation

Expenditure as per accounts	30,936,313,962
Add:	
Capital Expenditure	343,570,894
Less:	
Depreciation	(653,602,768)
Amortisation of Intangible assets	(3,583,498)
Impairment	(1,283,400)
Bad debt write-off	(14,400,000)
Withholding tax deducted from audit fee invoice	(52,555,000)
Expenditure as per budget utilization	<u>30,554,460,190</u>