

REF: LE.13/VOL.VI/20

30 March 2022

The Chairman
NaCOVERC
17 Guard Room
Spur Road
Freetown.

Dear Sir,

**SUBMISSION OF NATIONAL COVID EMERGENCY RESPONSE CENTRE REPORT
ON THE FINANCIAL STATEMENTS FOR THE PERIODS 1ST MARCH TO
30TH JUNE 2020 AND 1ST JULY TO 31ST DECEMBER 2020**

We forward herewith three (3) bound and two (2) unbound copies each of the audited Financial Statements for the above mentioned periods.

Please sign and date all copies of the Financial Statements on the space provided and return to our office by close of business on the 6 March 2022 for the auditor's signature.

We look forward to hearing from you as soon as possible to enable us finalise this assignment.

Your usual co-operation is highly solicited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Selvin Bell', is written over a circular stamp or seal.

Selvin Bell
F/ACTING AUDITOR GENERAL

REF: LE.13/VOL.VI/20

30 March 2022

The Chairman
NaCOVERC
17 Guard Room
Spur Road
Freetown.

Dear Sir,

**SUBMISSION OF NATIONAL CoVID EMERGENCY RESPONSE CENTRE REPORT
ON THE FINANCIAL STATEMENTS FOR THE PERIODS 1ST MARCH TO
30TH JUNE 2020 AND 1ST JULY TO 31ST DECEMBER 2020**

We forward herewith three (3) bound and two (2) unbound copies each of the audited Financial Statements for the above mentioned periods.

Please sign and date all copies of the Financial Statements on the space provided and return to our office by close of business on the 6 March 2022 for the auditor's signature.

We look forward to hearing from you as soon as possible to enable us finalise this assignment.

Your usual co-operation is highly solicited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Selvin Bell', is written over a circular stamp or seal.

Selvin Bell
F/ACTING AUDITOR GENERAL



**National CoVID
Emergency Response
Centre**

**Report on the Financial
Statements for the Period 1st
March to 30th June, 2020**



CONTENTS	PAGE
General Information	2
Background and Framework of Response	3 - 6
Auditors' Report	7 - 10
Statement of Cash Receipts and Payments	11
Notes to the Financial Statements	12 - 13



GENERAL INFORMATION

Registered Office

SLFA
Kingtom

Chairman

Sheku A. F Bangura

Bankers

United Bank for Africa

Fiduciary Agents

BDO
Regent House
12 Wilberforce Street
Freetown

Auditors

Audit Service Sierra Leone

Background

On 31st March 2020, Sierra Leone recorded its Corona Virus index case. This led to the establishment of the National Covid 19 Emergency Response Centre (NaCOVERC).

NaCOVERC focuses primarily on the goal of 'saving lives'. However, the strategies to achieve this must also take into consideration the need to 'save livelihoods', which is primarily being addressed by GoSL through the Quick Action Economic Response Plan (QAERP). The use of behavioural change (such as physical distancing and mask wearing), movement restrictions and border closures are viewed through the lens of the socio-economic realities.

The **key objectives** of NaCOVERC are:

1. Mitigate the spread of COVID-19
2. Minimise deaths from COVID-19
3. Protect wider health services to ensure lives are not unnecessarily lost due to non-COVID-19 health causes
4. Mitigate the impact of COVID-19 on livelihoods

To achieve these objectives, the following key strategies are implemented:

1. Surveillance
2. Isolation / Quarantine^[1]
3. Testing
4. Clinical Treatment
5. Behavioural Change
5. Vaccination (when acquired)

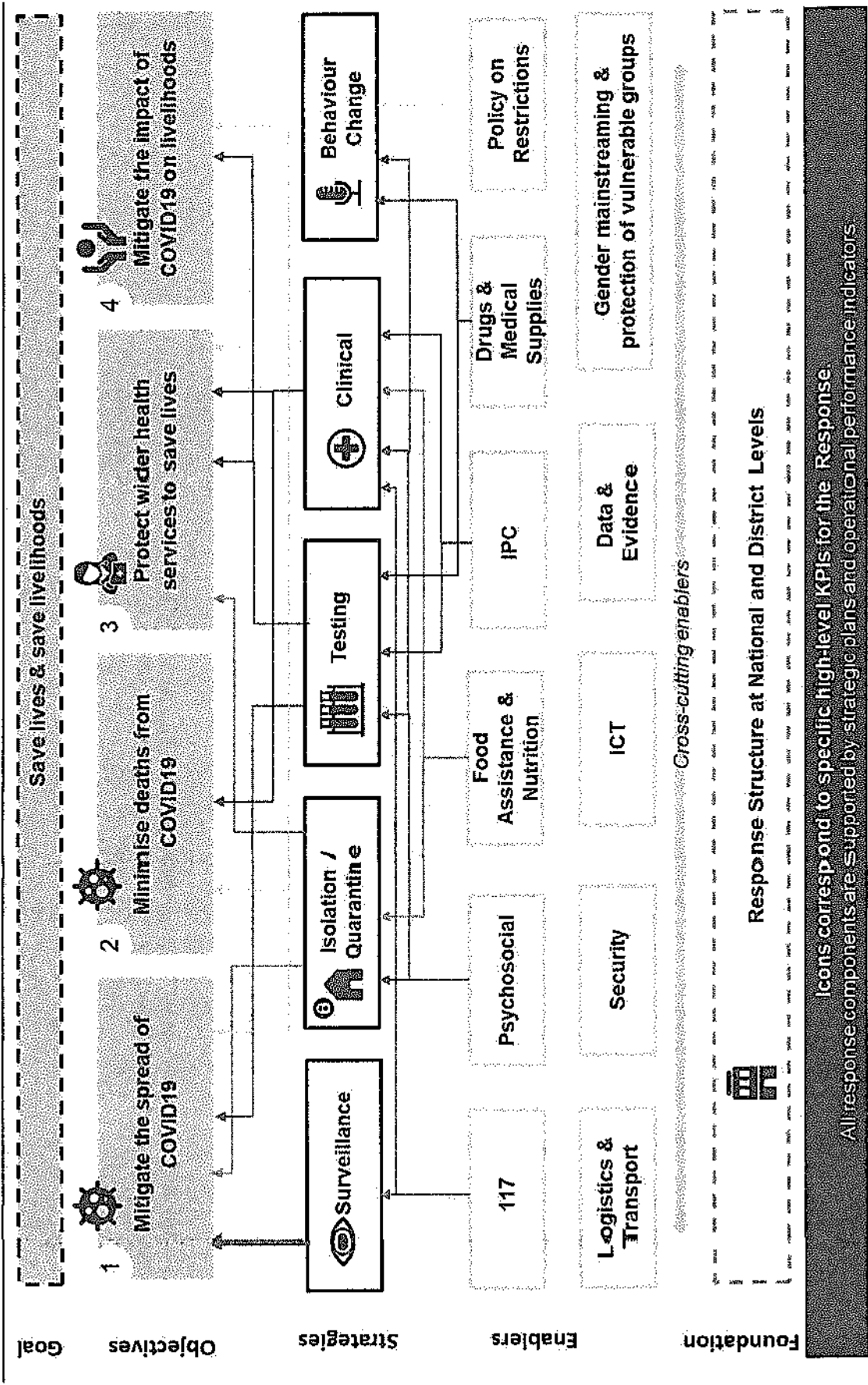
These strategies are supported by several enablers within the response, as shown in the Strategic framework for Sierra Leone's National Covid 19 Response below.

The key strengths of the GoSL response has been the strong pillar structure that builds on Sierra Leone's Ebola infrastructure. However, one of the key lessons of the Response has been the importance of Cross-Pillar collaboration and the importance of ensuring that overarching national and sub-national strategies drive the actions of the Pillars.

The framework of the strategic plan is based on strategies, rather than pillars, with the recognition that many actors are required to ensure these strategies are implemented collaboratively and coherently to ensure success. For example, active surveillance in communities requires community-level buy-in and acceptance of the surveillance efforts by the affected communities which is traditionally led by the Social Mobilisation pillar. A successful testing strategy relies on efforts and collaboration across the surveillance, case management, social mobilisation, psychosocial and lab pillars.

[1] Isolation refers to the isolation of a suspect or positive symptomatic case, whereas quarantine refers to the quarantine of an asymptomatic individual who is at risk either due to travel history or having been exposed

Strategic Framework for Sierra Leone's National COVID-19 Response



The COVID – 19 Fund Administration

To counter the adverse impact of COVID-19 pandemic on lives, livelihood and their economies, governments in many countries across the globe have created COVID-19 specific funds as a fiscal policy instrument to (i) pool public and private sector resources, both domestic and external, and (ii) to respond to the emergency spending needs.

To uphold commitment to the fight against corruption and rising interest of the international community and civil society in good governance structure around the use of COVID-19 funds, the Corona Virus Disease Emergency Fund Regulation, 2020, published on the 7th of May 2020, with an effective date of 1st April 2020, provided for the establishment and management of the Corona Virus Disease Emergency Fund.

Sections 6(1)(2) of the Corona Virus Disease Emergency Fund Regulation, 2020, made provision for the Appointment of an Administrator who shall:

- a) Establish administrative mechanisms, Systems and structures necessary for the proper administration of the Fund;
- b) Provide strategic policy guidance for the implementation of the Fund;
- c) Establish audit, accounting and reporting mechanisms and processes including the keeping of proper books of account and other records in relation to the activities, Property and finances of the Fund; and
- d) Perform any other functions assigned to him from time to time an as necessary for the implementation of these Regulations.

To assure the public and partners of the Government's commitment to accountability and transparency in the use of these funds the Government published The Corona Virus Disease Emergency Fund (Management) Regulations, 2020, on 19th June 2020, with an effective date of 1st May, 2020, to provide the financial architecture to support the Response.

The regulation made provision for the establishment of a Corona Virus Emergency Fund Oversight Committee and provided guidance on budget preparation, procurement processes, accounting and financial reporting guidelines and internal auditing. These two Constitutional Instruments were republished on 5th August 2020 as prescribed in the Sierra Leone 1991 Constitution. The regulations were extended by parliament on 22nd March 2021.

Fiduciary Management at NACOVERC

To address the financial management challenges identified earlier in the Response, the Fund Administrator who also serves as Deputy National Interim Coordinator (Admin and Finance) established a hybrid Admin and Finance Pillar in NaCOVERC that is resourced by a fiduciary agent (BDO) and other professionals. The private accounting firm (BDO) is responsible for accounting and reporting, payroll, procurement and stores management. Budget and Planning, Human Resources, Legal Advisory and General Administration are handled by other team members. This structure supports the DiCOVERC on financial management and procurement. In accordance with the Corona Virus Disease Emergency Fund (Management) Regulation, 2020, the Administrator is primarily required to report to the President, The Corona Virus Disease Emergency Fund Oversight Committee and the Sierra Leone Parliament. Cleared unaudited reports by the Oversight Committee and the Presidential Task Force are expected to be regularly published.



AUDITORS' REPORT

30 March 2022

The Chairman
National CoVID Emergency Response Centre
17 Guard Room, Spur Road
Freetown.

Dear Sir,

Report on the Audit of the Financial Statements for 1st March to 30th June 2020

Opinion

We have audited the financial statements of the NaCOVERC, which comprise a statement of Cash Receipts and Payments for the period 1st March to 30th June 2020, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the NaCOVERC as at 30th June, 2020, and (of) its financial performance for the period then ended in accordance with International Public Sector Accounting Standards (IPSASs) Cash basis.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the NaCOVERC in accordance with our Code of Ethics together with the ethical requirements that are relevant to our audit of financial statements in Sierra Leone, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements for the period under review. For the purpose of this audit, there were no key audit matters.

Emphasis of matter

We draw attention to the total payments reported in the Statement of Cash Receipts and Payments in the financial statements:

The entity in the procurement of certain goods failed to deal directly with the suppliers, but instead dealt with middlemen who buy from the suppliers and resell to NaCOVERC. This situation led to the loss of Le3,997,829,026, which could have been saved had the entity dealt directly with the substantive suppliers instead of middlemen.

Other matters

We draw attention to the following matters that are ancillary to our responsibilities in the audit of the Financial Statements:

Withholding taxes of Le1,831,522,446 in respect of payments made to suppliers and contractors were deducted by the NaCOVERC but not paid over to the National Revenue Authority during the period under review. The taxes withheld were eventually settled on the 11th January, 2021.

GST payments to the tune of Le254,762,608 were made to two suppliers who did not provide any evidence in the form of GST registration certificate/GST Invoice/GST receipt to show their eligibility to collect GST on behalf of the NRA. Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Corona Virus Disease Emergency Fund Regulations, 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee.

that an audit conducted in accordance with International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty existed, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. we described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.



For **Ag. Auditor-General**

Date: 12th April, 2022

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED
30TH JUNE 2020**

	Le'000	Le'000
RECEIPTS		
GoSL Funding		<u>73,500,000</u>
Total Receipts		<u>73,500,000</u>
PAYMENTS		
Operational Control	3 (24,016,488)	
Case Management	3 (9,906,970)	
Behavioural Management	3 (5,099,753)	
Testing	3 (1,862,521)	
Surveillance	3 (5,519,990)	
Isolation and Quarantine	3 <u>(14,057,629)</u>	
Total Payments		<u>(60,463,351)</u>
Surplus of cash for the period		<u>13,036,649</u>

The notes on pages 12 to 13 are an integral part of these financial statements

National Chairman, NaCOVERC

Name: Dr Amara Jambai

Signature:



Date:



NOTES TO THE FINANCIAL STATEMENTS

1. a) **Basis of Preparation**

The financial statements have been prepared on an IPSAS cash basis.

b) **Revenue recognition**

All revenue generated are recognised on a cash basis. Funds from GoSL and donations are recognised on receipt.

c) **Non-Current Assets**

All assets are expensed immediately they are purchased. However, an asset listing is maintained for asset tracking and management purposes. Hence no depreciation is applicable

d) **Presentation**

The financial statements are presented in Leones which is the functional and presentation currency. Foreign currency transactions are translated into Leones using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the receipt of such transactions and from the translation of monetary assets and liabilities at the reporting date are taken to surplus.

e) **Income tax**

The response is not subject to income tax

SCHEDULE OF BANK BALANCE

2	Bank Balances	2020
		Le'000
	United Bank for Africa	<u>13,036,649</u>
	Total Bank Balance	<u>13,036,649</u>



3 DISBURSEMENTS

	Behavioural Management	Case Management	Command and Control	Isolation and Quarantine	Surveillance	Testing	Total
Administrative Expenses	46,000.00	59,040.00	820,275.83	0.00	0.00	204,063.00	1,129,379
ASSETS	752,142.50	8,896,990.00	9,981,209.00	102,500.00	4,678,750.00	1,504,880.00	25,916,472
FEEDING	185,925.00	0.00	1,720,516.14	290,162.25	0.00	0.00	2,196,603
FUEL AND LUBRICANT	61,922.50	0.00	5,280,479.50	13,634,546.44	0.00	0.00	18,976,948
MEDICAL EXPENSE	0.00	0.00	2,274,050.00	0.00	0.00	0.00	2,274,050
PUBLICATION AND SENSITIZATION	0.00	293,412.35	41,212.00	0.00	0.00	0.00	334,624
REPAIRS AND MAINTENANCE	3,169,790.95	18,320.00	66,205.00	14,340.00	841,240.00	130,898.00	4,240,794
SALARY AND ALLOWANCES	40,068.00	126,435.00	237,946.41	16,080.00	0.00	22,680.00	443,209
TRAINING	843,904.50	512,772.00	43,587.45	0.00	0.00	0.00	1,400,264
TRAVELLING EXPENSES	0.00	0.00	3,551,007.00	0.00	0.00	0.00	3,551,007
	5,099,753.45	9,906,969.35	24,016,488.33	14,057,628.69	5,519,990.00	1,862,521.00	60,463,351