



TRANSPARENCY INTERNATIONAL.
SIERRA LEONE

**THE ASSESSMENT REPORT ON THE
IMPLEMENTATION OF AUDIT
RECOMMENDATIONS FOR FUNDS
MANAGED BY NaCOVERC FROM MARCH TO
JUNE 2020**

AUGUST 2022

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1.0 Background Introduction

As the Supreme Audit Institution (SAI) for Sierra Leone, the Audit Service Sierra Leone (ASSL) promotes accountability and good governance. The Auditor General is mandated to carry out audits on the economy to ensure efficiency and effectiveness with which the audited government entities use their resources in carrying out their responsibilities. The Auditor General is the independent auditor reporting to Parliament. Section 119 of the 1991 Constitution of Sierra Leone empowers the Audit Service Sierra Leone (ASSL) to audit the public accounts of Sierra Leone and of all public offices including the courts, the central and local government administrations, the Universities and public institutions, together with statutory corporations, companies, bodies or organizations set up partly or wholly out of public funds. Against this backdrop, the ASSL undertook a real time audit of the COVID-19 Response Funds from March to June 2020 in accordance with Section 119 of the 1991 Constitution of Sierra Leone and the Audit Service Act of 2014. The Audit Service Sierra Leone (ASSL) therefore conducted the audit with the objective to give an overview and make recommendations on the systems, processes and activities of the NaCOVERC and all Ministries Department and Agencies (MDAs) that were entrusted with the COVID-19 funds.

The Anti-Corruption Commission (ACC) takes the lead in the crusade against corruption in Sierra Leone. It was established through an act of parliament in 2000 with the prime aim of preventing, investigating and prosecuting corrupt culprits and to also provide adequate and accurate information to the general public on the hazards of corruption in our society and how it perils national prosperity and development. The prevention aspect of the ACC is provided for in Section 7 and 8 of the Anti-Corruption Act of 2008 as amended in 2019. Therefore, the ACC team would embark to monitor the audit report of the National Covid - 19 Emergency Operation Centre (NaCOVERC) in 2019/2020.

Transparency International Sierra Leone (TI-SL) is the local chapter of Transparency International a global civil society anti-corruption network with its Secretariat in Berlin, Germany and with over one hundred and twenty local chapters globally. The

key mandate of Transparency International is to promote transparency and accountability in both the private and the public sectors as a way of curbing corruption.

With support from Department of State Bureau of Democracy, Human Rights and Labour (DRL), the Anti-Corruption Commission in collaboration with Transparency International Sierra Leone (TI-SL) conducted an assessment of the implementation of Audit Service Sierra Leone recommendations contained in the COVID-19 Audit Report, and to determine whether the institution is in compliance with NPPA current price Norm in procuring goods, works and services

1.1 Objectives

The significance of this exercise is to assess the level of implementation of the audit findings and recommendations. The practice of effectively responding to audit queries will enable NaCOVERC to design an appropriate administrative system needed to improve performance. Therefore, this exercise is directed following the under mentioned objectives to:

- Ensure compliance of NaCOVERC to audit report recommendations
- Ensure effective and efficient use of resources provided for the COVID - 19 pandemic responses.
- Proffer relevant recommendations needed to boost service delivery
- Ensure whether NaCOVERC is in compliance with NPPA current price norm in the procurement of thier goods and services.
- Ensure transparency and accountability in service delivery

1.2 Scope and Methodology

The scope of this exercise takes into consideration the audit findings and recommendations for the period March to June 2020 as well as some current procurement operations of NaCOVERC. Furthermore, this exercise adapted qualitative research methods. The team conducted Key Informant Interviews with top echelon staffs in the institution to ascertain relevant information in consonant with the above objectives. Additionally, desk reviews of relevant documentation

was done particularly on the procurement processes, human resources, finance etc and as well triangulates this information with one sampled organization that is involved in the implementation of the COVID 19 pandemic response. Nonetheless, the exercise initially started with an inception meeting with senior management of NaCOVERC that provided the basis upon which the entire exercise will be executed.

1.3 Limitation

NaCOVERC did not provide sufficient information and available document to the team to support their management responses of the 2020 audit reports. Notwithstanding, most workers who were initially involved in the early stage of the COVID-19 response could not be found by any means as most of them were retrenched by NaCOVERC due to lack of funding. Also, lack of enough time did not permit the team to engage all the MDA's with the tenet of triangulating some information.

2.0 Report on Monitoring of Audit Service Sierra Leone Audit Report findings and recommendations.

2.1 Lack of Strategic Direction from a Management Team that was paid allowances in excess of Le. 3.1 Billion

The Strategic Leadership Team at the NaCOVERC comprised of 42 personnel in April, 77 in May and 61 in June 2020, and they were paid allowances of Le3,169,200,000 for those three months. It was however noted that an Emergency Response Strategy, together with the necessary accompanying activity-based budget, which could have given direction and control to the Response and focused it in an effective and efficient manner; whereby reducing infections and ultimately saving lives, had not been developed.

2.2 Audit Recommendations

We recommend that within 15 days upon receipt of this report:

- a. that detailed explanation is provided by the National Interim Coordinator and his Management Team, indicating why despite such

huge administrative costs, the NaCOVERC has up to June 2020 failed to produce such an important document;

- b. that further explanation be provided by the National Interim Coordinator regarding the approach the NaCOVERC has been using to fight COVID-19 pandemic, since his management team has failed to produce a response plan; and
- c. a well-focused Response Strategy, accompanied by a sound Activity Based Budget, be prepared and approved for implementation, in order to bring direction and control to this Response.

2.3 NaCOVERC Management Response

There was a Preparedness Response Plan in place before the index case of 30th March 2020, which provided impetus for the response to reduce infections and ultimately save lives. The Preparedness/Response plan led by the Ministry of Health and Sanitation and was adopted by the Presidential Task Force on 23rd March 2020.

The appointment of the Interim National Coordinator in late March meant that this plan had to be continuously reviewed as the epidemiology of the virus globally at the time was far from understood. Logically, this would mean that the strategy adopted will be dictated by the science of the virus and not just administrative considerations. NaCOVERC was a new special purpose vehicle established to respond to the virus and there had to be start up challenges especially setting up the DiCOVERC architecture in all 16 Districts.

At this point things are beginning to become a bit clearer and the Strategy now in place speaks to the increased scientific knowledge of the disease.

Each of the Pillars in the Response had their Standard Operating Procedures (SOPs) which guided their strategic interventions in all areas of the response. Technical and inter-pillar meetings were constantly held to shape the strategy for the response.

The following documents are available for review:

- 1) National COVID-19 Preparedness Response Plan (March, 2020);
- 2) Draft National COVID-19 Response Strategic Plan (June, 2020) and updated Strategic Plan and budget (October, 2020); and
- 3) Concept note for the establishment of DiCOVERCs (May, 2020)

Status: In Progress

2.4 ACC/TISL Comments

In a face-to-face discussion with the current Chief of Staff, he clearly mentioned that NaCOVERC is assiduously working with the Ministry of Health and Sanitation (MoHS), Security forces etc. in all efforts to ensure appropriate response to the COVID - 19 pandemic. Additionally, the team was able to discovered standard Operating Procedures (SOPs) designed by NaCOVERC to enhance their operations. These SOPs includes, Human Resources and Administrative Procedures, Fixed Asset Management Policy, Stores Management policy and Revised Fuel Policy.

Moreover, although it was included in the management response of NaCOVERC that draft national COVID - 19 response strategy plan and budget for the period June (2020) and October (2020) as well as concept note for the establishment of DiCOVERCs were available for review. On the contrary, such documents were not made available to the ACC and Transparency International team during the monitoring exercise. Also, upon monitoring of audit findings and recommendations, NaCOVERC did not in any way produced a National response strategy plan which will direct a road map on all operations.

NaCOVERC Comment During Validation

Due to the nature of the organization, The Strategic Plan is an evolving document and is always being adjusted to reflect directions from The PTF as informed by medical and epidemiological data. The current plan is always available with the strategic team. As confirmed within the same Audit report by ASSL, there was a

strategic plan developed in August 2020 and this along with other plans that guided the response were verified by the Public Accounts Committee as also mentioned in their report. Strategic plan attached.

ACC/TISL Comment after Validation

During the validation exercise, management of NaCOVERC provided COVID - 19 Strategic Plans ranging from June 2020 and, June 2021 to May 2023 to the team for inspection. However, management of NaCOVERC failed to submit the under mentioned document to the team for verification during the validation as ascribed in the ASSL report:

- National COVID-19 Preparedness Response Plan (March, 2020) and
- Concept note for the establishment of DiCOVERCs (May, 2020)

Therefore, this issue is resolved.

3.0 Withholding Taxes deducted but not paid to the NRA – Le1.8 Million

We observed that withholding taxes were deducted from payments made to various contractors and suppliers, but not paid to the NRA. Initially, the total amount stood at Le1,996,655,449, but during verifications of the management's response, the amount has been reduced to Le1,831,522,446.

3.1 Audit Recommendations

We recommended the following in our draft report, that within 15 days upon receipt of that report:

- a. The additional documentary evidence should be provided.
- b. Outstanding withholding taxes deducted be paid to the NRA with immediate effect and a receipt confirming payment submitted for audit verification.

3.2 NaCOVERC Management Response

- a. "Withholding tax deducted but not paid for NACOVERC and IHPAU will be paid to the National Revenue Authority by NACOVERC. Please refer to the Ministry of

Health and Sanitation (MoHS) for response with respect to taxes deducted but not paid.

b. NACOVERC did not have a Tax Identification Number (TIN) at the time of the transaction. Therefore, honoring of existing tax obligations for both NACOVERC and IHPAU is in progress.

3.3 ACC/ TI-SLComments

The ACC/TI-SL team unveiled that NaCOVERC had registered with the National Revenue Authority (NRA) with Tax Identification Number (TIN) as 00253 which will impel the honoring of previous, current and future tax obligations. On that note, the actual amount supposed to be paid as withholding represented a total of Le1,831,522,446. However, available document provided by NaCOVERC indicated a payment of withholding tax to NRA which amounted to Le 1,817,157,446.00 with a receipt number of 00253. On the contrary, the ACC and IT team further discovered that there was an under-cast payment of withholding tax with a variance of Le 14,365,000.

Following the above comment, the ACC/TI-SL team recommended that the withholding tax variance which amounted to Le 14,365,000 be paid to NRA forthwith and the management of NaCOVERC to ensure that, going forward all withholding taxes must be fully paid on time to NRA.

NaCOVERC Comment during Validation

All withholding taxes deducted by NACOVERC and IHPAU as per the financial records handed over during the transition of the fiduciary teams, were paid to NRA and was verified by the Public Accounts Committee. This has also been verified by ASSL during the subsequent audit. Copies of vouchers attached.

ACC/TISL Comment after Validation

Upon the validation exercise, documentary evidences were provided by the management of NaCOVERC in connection to the outstanding payment of withholding taxes to NRA. **Therefore, this issue has been resolved.**

4.0 Withholding Taxes not deducted from Payments made – Le39,404,087.

We observed that withholding taxes which amounted to Le39,404,089, in respect of the under mentioned institutions were not deducted from certain payments made to contractors and suppliers, even though these payments met the threshold for deduction of same.

4.1 Audit Recommendation

Withholding taxes not deducted and paid to the NRA should be recovered and paid to the NRA.

4.2 NaCOVERC Management Response

NaCOVERC did not provide any management response in relation to this issue.

4.3 ACC/TI-SL comments

During the assessment exercise, NaCOVERC did not provide any document signifying the honoring of payment of the said money to NRA. However, management claimed that, this payment to contractors and suppliers took place at the time when NaCOVERC was not a registered entity with NRA and as result did not have TIN numbers that will allow payment of withholding taxes as established by law. Moreover, NaCOVERC further alluded that this particular withholding tax payments were supposed to be paid by IHPAU. This was because, IHPAU was the fiduciary agent at that time charged with responsibility to manage the finance of the COVID – 19 responses and ensure prudent spending.

However, since there was a failure to deduct withholding taxes from the payments of suppliers and contractors which amounted to Le39,404,089. It is recommended by the ACC/TI-SL team that this particular issue in respect of undeducted taxes be investigated to know between NaCOVERC and IHPAU who was responsible for the administrative lapses. Thereafter, the responsible institution must reclaim and refund the said money effective immediately.

NaCOVERC Comment during Validation

All withholding taxes deducted by NACOVERC and IHPAU as per the financial records handed over during the transition of the fiduciary teams, were paid to NRA and was verified by the Public Accounts Committee. This has also been verified by ASSL during the subsequent audit. Copies of vouchers attached.

ACC/TISL Comment after Validation

Upon the validation exercise, documentary evidences were provided by the management of NaCOVERC in connection to the outstanding payment of withholding taxes to NRA. **Therefore, this issue has been resolved.**

5.0 Payments of suppliers through a member of staff amounted to Le124,714,280

We observed that cheque payments amounting to Le124,714,280 were made in the name of one member of staff of NaCOVERC, instead of the engaged contractors/supplies, for the procurement of goods, works and services. This is against the principles of sound and prudent public financial management and could have created room for the misappropriation of public funds.

5.1 Audit Recommendations

The National Interim Coordinator should provide an explanation together with the justification of why payments meant for suppliers were made by cheque in the name of a staff member; otherwise, such payments should be considered ineligible.

5.2 NaCOVERC Management Response

We acknowledged the issues raised. These payments were however made to facilitate minor repairs and works at NACOVERC and treatment facilities at the height of the response when procurement of such services could have taken time to conclude and could have undermined the speed of the response. Payments were made to military personnel with requisite skills to perform various tasks (motor mechanics, masons, carpenters etc.).”

5.3 ACC/TI Comment

This particular issue in respect of payments of suppliers through a member of staff amounted to Le124,714,280 is understood to be currently under investigation by the ACC. Therefore, the team would not comment on it.

6.0 Payment of Allowances

6.1 Audit Findings

The National Interim Coordinator authorized (with the exception of healthcare workers paid in line with an MOU between MoF, MoHS and other stakeholders), the payment of the sum of Le6.2 billion for April to June 2020, without any human resource management (HRM) system in place. The recruitment and remuneration process was flawed, it lacked transparency and credibility. We further observed that:

- A bank error of Le8,500,000 in favour of NaCOVERC went unnoticed until it was discovered by the audit.
- Some 46 seconded public sector workers were paid allowances by NaCOVERC of more than 100% of their current salaries, in contradiction of the advice of the Ministry of Finance to NaCOVERC on this matter.
- The non-deduction of the sum of Le2.1 billion of withholding taxes and PAYE from the payment of allowances to consultants and public officers respectively; and
- the payment of unjustified additional allowances of Le194 million to a selection of workers.

6.2 Audit Recommendations

We recommended in our draft report that the National Interim Coordinator at the NaCOVERC should ensure the following within 15 days upon receipt of the same:

- a) Provide evidence of how consultants and other non-public sector workers were Recruited;
- b) Provide evidence from the Office of the Sectary to the President, with regards the Statements he has been stating in the appointment letters of workers that it has pleased HE the President to appoint them;

- c) Submit evidence on which basis the payment of allowances of Le6.1 billion was done;
- d) Ensure that those who have been paid in excess of 100% of their normal CF salary, that such excess is reclaimed and repaid into the NaCOVERC account, or the same should be disallowed and surcharged on the approving officer(s);
- e) Reclaim the undeducted PAYE and withholding taxes of Le2.1 billion and pay same to the NRA and provide receipt for audit verification;
- f) The whole amount of Le193,700,000 be reclaimed from the concerned staff members and consultants; otherwise the amount should be disallowed and surcharged on the approving officer(s);
- g) Recover the allowances paid to all those workers without a release letter from their current employers including staff of the MoHS, RSLAF, MoF and other MDAs;
- h) The inconsistency of Le61.3 million noted in the bank account be investigated and the amount should be recovered from the bank, otherwise the amount in question should be refunded by the approving officer(s); and
- i) In future, the National Interim Coordinator should ensure that appropriate procedures and financial controls are implemented to enable the NaCOVERC to demonstrate that allowances paid to staff are accurate and complete (taking into consideration all statutory deductions), in accordance with an approved stipulated policy.

6.3 NaCOVERC Management Response

- a) In an emergency situation, management appoints individuals with the right skills, experience and qualification to add value to the response. Individuals were headhunted and properly vetted and issued with appointment letters. In addition, specific terms and conditions of service were prepared while the audit was in progress. It was not until June 6th 2020 that a Human Resource Pillar Lead was seconded from the Human Resource Management Office. Appointment letters are now available for all consultants and other non-public sector workers.

- b) The Interim National Coordinator of NACOVERC obtained authority from His Excellency the President.
- c) Remuneration of all NaCOVERC personnel was discussed unreservedly at the highest levels of Government with series of consultations and measured comparisons with allowances paid to personnel during the EVD in 2014. Several issues were considered in setting remuneration which included but not limited to competencies, qualifications, experience, risks of exposure to infection and the tight budgetary implications for GoSL. The remuneration of staff is guided by:
- Executive Clearance on Risk Allowances Rate Policy for NaCOVERC Strategic NaCOVERC Team
 - Executive Clearance on Risk Allowances Rate Policy for Regional and District Coordinating Core Team
 - Risk Allowance Rates Policy for Healthcare Workers (MoU signed by the Ministry of Finance, Ministry of Health and Sanitation and health professional bodies)
- d) Several issues were considered in setting remuneration which included but not limited to competencies, experience, risks of exposure to infection and the tight budgetary implications for GoSL. Since consultants and non-public sector workers were not covered by the health insurance scheme, they had to be given adequate compensation for risk exposure.
- e) With respect to taxes, this was the case whilst clarification was being sought on whether or not taxes should be deducted from risk allowances paid to the COVID workers. The clarification was later provided and the instruction of the Minister of Finance was heeded from then. NaCOVERC is in the process of determining the amount of taxes to be paid to the NRA for allowances paid before the receipt of the Minister's instruction.
- f) The Situation Room was required to support its staff with incentives towards food and transportation to its staff on a daily basis for 24 hours/7 days services.

Additionally, there was an urgent need to provide mobile top-up to facilitate their coordination with the District Emergency Operation Centres (DEOCs) in collecting updates and feedback. The necessary supporting documents are available for ASSL to verify.

- g) Staff seconded to NACOVERC by various MDAs (e.g. Ministry of Health and Sanitation/MoD/MoF/SLP/ONS) were sent with a covering letter instead of individual letters, which were not provided at the time of the audit but are now available for inspection.
- h) Management acknowledges the findings of the audit report related to the inconsistency of Le61.3 million noted in the bank account at UBA. There was clearly a challenge in our bank reconciliation process for the period under review. Management also agrees that a full investigation into the discrepancy be effected.
- i) The recommendation that the National Interim Coordinator should ensure that appropriate procedures and financial controls are implemented to enable the NaCOVERC to demonstrate that allowances paid to staff are accurate and complete is duly acknowledged. Systems and internal controls are now fully established to ensure that payroll reconciliation is given the utmost attention needed taken into account all statutory provisions.

Status: In progress

6.4 ACC/TI-SL Comments

From the monitoring exercise the ACC/TI-SL team expounded the following below:

- a) Documents regarding the recruitment process of consultant and other non-public sector workers were not provided to the team. In lieu, NaCOVERC management asserted that they received executive clearance from the president.
- b) *The management of NaCOVERC did not provide document indicating executive clearance to the ACC/TI-SL team from the office of the president implying appointments of workers into various management positions.*

- c) *With regards* evidence on basis of which payment of allowances of Le6.1 billion was done, the management of NaCOVERC through a round table discussion clearly stated that, there was Memorandum of Understanding (MoU) between NaCOVERC, MoHS and MOF which embodied coherently the rate to be paid as allowances to all categories of staff involved in the COVID - 19 respond. However, this MoU was not provided to the ACC/TI-SL team for inspection and confirmation.
- d) *Moreover, the management of NaCOVERC failed to produce evidence on the basis upon which excess payment were made to some staff to the ACC/TI-SL team.*
- e) *In relation to* the un-deducted PAYE and withholding taxes of Le2.1 billion, the management of NaCOVERC agreed that the finding is true by ASSL but they are in the process of collating the total amount of PAYE and pay to NRA. The management of NaCOVERC further mentioned that the un-deducted PAYE was a deliberate attempt to motivate staff involved in the COVID - 19 pandemic respond.
- f) *The management of NaCOVERC did not provide evidence of document in respect of the reclaimed of Le193,700,000 from concerned staff members and consultant.*
- g) With respect to the recovering of allowances paid to all those workers without a release letter from their current employers including staff of the MoHS, RSLAF, MoF and other MDAs, the management of NaCOVERC directed the ACC/TI-SL team for clarification to BDO - a fiduciary agent currently managing the finance of the COVID - 19 respond. In a discussion with the technical team of BDO, they clearly confirm that the issue in question at that time was not in their purview as they assumed full responsibility in the management of COVID - 19 respond fund early July, 2020.

Please note: The management of NaCOVERC indicated in their response that, the remuneration of staff is guided by:

- Executive Clearance on Risk Allowances Rate Policy for NaCOVERC Strategic Team
- Executive Clearance on Risk Allowances Rate Policy for Regional and District Coordinating Core Team
- Risk Allowance Rates Policy for Healthcare Workers (MoU signed by the Ministry of Finance, Ministry of Health and Sanitation and health professional bodies)

On the contrary, all the aforementioned policies were not provided to the ACC/TI-SL team during the course of monitoring for confirmation.

NaCOVERC Comment during Validation

- a. Due to the emergency nature of the response, each unit/pillar driven by the relevant ministry or agency were required to provide appropriate staff from their respective ministries/agencies and/or contract individuals appropriate experience.
- b. Strategic and senior level appointments were mostly done via Executive communication from the Office of the President and on some occasions, published on various media.
- c. The MOU between health workers and the GoSL is a public document and was negotiated by the Ministry of Finance and the Ministry of Health on behalf of the Government of Sierra Leone. A copy is attached.
- d. All staffs are paid as per signed contracts which are guided by risk allowance policy rates. As discussed at the hearings and also captured in the Public Accounts Committee reports, these rates are based on the experience required and risk associated with the job requirements.
- e. All staff in the response are engaged on a contract basis which does not qualify for PAYE deductions. However, withholding taxes for the period were captured and paid to NRA. PAYE does not apply in this instance. This was also verified at the Public Accounts Committee hearings. Copy of payment evidence attached.

f. The 194 million leones in question was disbursed to staff at the situation room towards food, top up and transportation costs to maintain a 24-hour service duty. These vouchers are available for verification.

G. We are not aware of the decision by management to recover allowances from staff. This matter has also been resolved at the Public Accounts Hearing as all payments were made as per contract and cannot be regarded as excess payments. All policies as provided to ASSL are available for review. Sample copies are attached.

ACC/TISL Comment after Validation

- a. ASSL requested management of NaCOVERC to provide evidence of how consultants and other public sector workers were recruited to support the COVID - 19 operations. And in turns the management of NaCOVERC initial management response revealed that they received executive clearance and that appointment letters for consultants and other public sector workers are available for review. On the contrary, during the validations process the management of NaCOVERC could not provide any supporting documents to justify their claims. Therefore, this issue remains unresolved.
- b. Upon the validation exercise, the management of NaCOVERC did not provide any documentary evidence purporting executive clearance from the office of the President and by extension, some documents were dispatched to the ACC/TISL team after the validation process for inspection. However, executive clearance and other documents are still missing. On that note, this issue has not been resolved.
- c. After the validation exercise, some documents were sent to the ACC/TISL team for review. Amongst these documents, there was indeed an MoU between the Government of Sierra Leone (as represented by the Ministry of Finance and Health), Sierra Leone Medical and Dental Association, the Pharmaceutical Society of Sierra Leone, the Sierra Leone Nurses and Community Health Officers Association. This MoU depicts an agreement

for rates to be paid to various categories of health worker who participated in the COVID - 19 response operations. Therefore, allowances paid to staff are justifiable through confirmation via the MoU. Against that backdrop, this issue has been resolved.

- d. ASSL recommendation and NaCOVERC response are parallel in this regard. During the validation process, management of NaCOVERC failed to produce evidence upon the basis of which excess payment was made to staff. On that note, this issue remains unresolved. Therefore, the ACC/TISL team recommends that those excess payments made to staff are charged against the personal emolument of the authorizing officers and pay to NaCOVERC account.
- e. Payments of withholding taxes to NRA were made available to the team for review after validation. However, documentary evidence relating to the payment of PAYE to NRA was not made available. Therefore, this issue remains partially resolved.
- f. Certainly, the management of NaCOVERC failed to furnish the ACC/TISL with supporting documents to justify the said payment to staff. Meanwhile, this issue remains unresolved. Therefore, it is recommended by ACC/TISL team that the said amount which is equivalent to 194 million Leones is charged against the personal emolument of the authorizing officers and pay to the NaCOVERC account.
- g. During the validation exercise, management of NaCOVERC did not provide any evidential document to support their statement that the said matter had been resolved at the Public Account Committee hearing. Therefore, through wide spectrum of ACC/TISL lenses, **this issue in question remains partially resolved.**

7.0 Verification of NaCOVERC Staff/Consultants

7.1 Audit findings

From staff strength of 884, we verified a sample of 430 staff members (i.e. 316 government employees on secondment and 114 NaCOVERC recruited employees) who were working in Freetown. We noted that allowances in the sum of Le3.4 billion were paid to these 430 staff for April and May. The findings from the verification exercise are noted in the paragraphs below.

A total of 195 of the sampled 316 current government employees (i.e. staff on secondment) made themselves available for physical verification. The remaining 121 government employees whom were paid allowances which amounted to Le1.15 billion could not be found for physical verification. We could therefore not confirm whether these workers were legitimately on secondment at NaCOVERC. The details of these employees are provided in Appendix 12.

Eighty of the sampled 114 staff recruited by NaCOVERC made themselves available for physical verification. The remaining 34 who was paid allowances amounting to Le269.9 million could not be found for physical verification. We could therefore not confirm whether these workers were legitimately recruited by NaCOVERC. The details of these employees are provided in Appendix 13.

Of the 195 government employees that were verified, only 120 had secondment letters from their MDAs. The remaining 75 staff members who received allowances in the sum of Le408.5 million for April and May had no document in the form of a secondment letter from their MDA of origin to justify their employment status at NaCOVERC. As a result, we could not ascertain whether these staff members were legitimate employees of NaCOVERC. The details of these employees are provided in Appendix 14.

Of the 80 recruited NaCOVERC staff members that were verified, only 28 had appointment letters. The remaining 52 staff who received allowances in the sum of Le264.4 million for April and May had no document in the form of appointment letters to justify their employment status at NaCOVERC. As a result, we could not

ascertain whether these staff members were employees recruited by NaCOVERC. The details of these employees are provided in Appendix 15.

The date stated on the appointment letters of 70 staff members who were recruited by NaCOVERC did not tie up to the period for which allowances were paid to them. The appointment letters of these 70 recruited staff members was dated 7th July 2020, while allowances which amounted to Le794.8 million were paid to them for April and May 2020. The details of these employees are provided in Appendix 16.

The appointment letters issued to some staff members who were recruited by NaCOVERC were signed by Pillar Leads instead of the National Interim Coordinator. There was a real financial risk arising from this poor staff management at NaCOVERC.

Two laboratory technicians, Prince Amara and BashiryTua both based at Bonthe and recruited on 15th April, were paid a monthly allowance Le 4,000,000 into the same bank account numbered 00-0004000712940148 at the Mattru Bank. The auditors were unable to verify these two individuals.

7.2 Audit Recommendations

We recommend that the National Interim Coordinator at the NaCOVERC should ensure the following within 15 days after the receipt of this draft report:

- a) The 121 government employees (i.e. staff of secondment), who could not be verified and who received allowances in the sum of Le1.1 billion for April and May, should make themselves available for physical verification at an ASSL office in Freetown, Bo, Kenema or Makeni; otherwise, the allowances paid to them should be disallowed and surcharged on the approving officers who should refunded same to the NaCOVERC account.
- b) The secondment letters from MDAs, for the 75 staff members at NaCOVERC which could not be found during the fieldwork of the audit, and for which allowances in the sum of Le408.5 million for April and May were paid, should

be made available for verification; otherwise, the Le408.5 million should be disallowed and surcharged on the approving officers who should refunded same to the NaCOVERC account.

- c) The appointment letters of the 34 staff members who were recruited by the NaCOVERC and who received allowances totaling Le264.2 million should be made available for verification; otherwise, the amount in question should be disallowed and surcharged on the approving officers who should refunded same to the NaCOVERC account.
- d) The appointment letters of the 52 staff members at NaCOVERC (i.e. those who were recruited by NaCOVERC) who could not be found during the fieldwork of the audit, and for whom allowances in the sum of Le264.4 million for April and May were paid, should be made available for verification; otherwise, the sum should be disallowed and surcharged on the approving officers who should refund same to the NaCOVERC UBA account.
- e) The Le794.8 million which was paid to 70 staff members for April and May, but who started employment on 7th July (as per their appointment letters), should be reclaimed and paid back into the NaCOVERC account; and
- f) the two staff members whose allowances were paid in the same bank account be made available for verification.

7.3 NaCOVERC Management Response

- a) These names were/are personnel in the response. They can be verified at any point in time by ASSL.
- b) Staff seconded to NACOVERC by various MDAs (e.g. Ministry of Health and Sanitation/MoD/MoF/SLP/ONS) were sent with a covering letter instead of individual letters, which were not provided at the time of the audit but are now available for inspection.

- c) These names were/are personnel in the response. They can be verified at any point in time by ASSL.
- d) These names were/are personnel in the response. They can be verified at any point in time by ASSL.
- e) Due to the emergency nature of the operation, this may have been the case. However, these issues have been resolved. Supporting documents are available for verification.
- f) These two individuals are different. There was a mistake on their account numbers but their BBAN were different. Identity cards were obtained and reviewed and confirmed with the District Coordinator.

7.4 ACC/TI-SL Comments

The ACC/TI-SL team discovered that; lots of staffs were seconded to NaCOVERC by various MDAs to support the COVID - 19 response operations. Against that backdrop, the team further inspects covering letters instead of individual letters of staff seconded to NaCOVERC by diverse MDAs and amongst others includes, MoHS, MoD, MoF, SLP, ONS. Therefore, please see attached covering letters for confirmation from various MDAs. **Therefore the issue has been resolved.**

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Government of Sierra Leone

Ministry of Finance
Secretariat Building
George Street, Freetown
SIERRA LEONE

From: The Hon. Minister of Finance
To: The Hon. Minister of Defence / Interim Coordinator, COVID-19
Date: 16th April 2020
Subject: Assignment of Fiduciary Staff to the COVID-19 Emergency Operations Centre

I refer to our discussions in respect of the above subject matter and to assign the following persons to perform fiduciary responsibilities within the context and framework of the Public Financial Management Act 2016 and the Public Financial Management Regulations 2018:

1. Mr. L.M. Kaiwa - Assistant Accountant General (Team Lead) (+232 76 610 236)
2. Mr. Jacob Sessie - Assistant Director, Budget Bureau (+232 78 221 479)
3. Mr. Lemuel B. Cole - Acting Assistant Director, Internal Audit (+232 79 953 680)
4. Mr. Francis Kaikai - Senior Procurement Officer (+232 76 821 396)

The above-mentioned persons shall deal with all Government-related expenditures in respect of the COVID-19 response activities of the Emergency Operations Centre.

Yours sincerely,

Jacob Jusu Saffa
Minister of Finance

Copy to:

from



GOVERNMENT OF SIERRA LEONE
Ministry of Health and Sanitation

DIRECTORATE OF HEALTH SECURITY AND EMERGENCIES

To: The Deputy National Interim Coordinator

1st April, 2020

National COVID-19 Response

Kingdom

Dear Sir

IPC Staff for COVID-19 Response

Infection Prevention and Control is key and plays a critical role in the prevention of infections, improve quality of healthcare service in the ongoing effort to prevent and limit the incidence of HAI, together with the overall fight to contain and limit the spread of COVID-19 transmission.

To support IPC trainings and effective monitoring of healthcare facilities and treatment centers, I therefore release the following IPC Officers to support the IPC Pillar in the response.

- Fomatu Ngujia
- Ralph Williams
- Isoto Bangara
- Esther Njagja
- Sennette Magai
- Daniel Sesay
- Edward Ella
- Mfesa Owen Brima
- Uniso Sallah

Thanking you for your support.

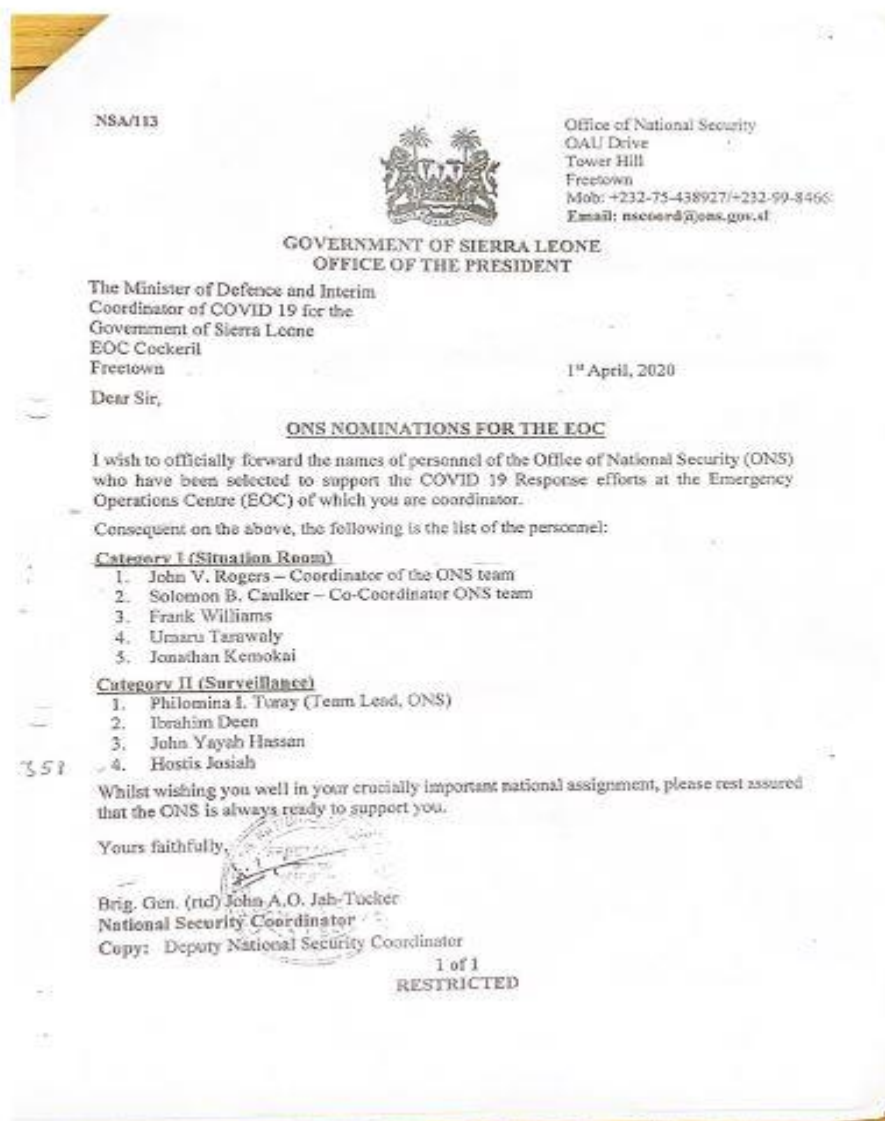
Kind regards,

Dr. Mohamed Vandi
Director HSE 006657/003

[Signature]
26/04/2020

Release letter
Ministry of
Finance

Release letter from MOHS for IPC staff



8.0 Management of Quarantined Homes

8.1 Audit Findings

Several guesthouses, hotels, and other hospitality businesses were contracted by the MoHS, IHPAU and NaCOVERC to provide quarantined facilities including accommodation and catering services (i.e. providing food and non-food items) during the period under review.

It was however noted that documentary evidence such as the list of persons that made use of each of these quarantined facilities (i.e. guesthouses or hotels), the

number of days those persons were accommodated for; the quarantine database maintained by the NaCOVERC, the contract details with some of these companies, and documents confirming delivery and receipt of food and non-food items, were not made available for audit verification.

As a result, we could not verify whether the Le8,016,258,841 that was paid to these suppliers was justified. The details are included in Appendix 17.

8.2 Audit Recommendations

It was recommended that the National Interim Coordinator should ensure that detailed documentary evidence (as highlighted above), in respect of the Le5,660,419,000 expended by the NaCOVERC as details in Appendix 17 are made available for verification within 15 days upon the receipt of this report; otherwise, the full amount should be disallowed and surcharged on the approving officer(s).

Furthermore, we recommend that the Permanent Secretary, MoHS should ensure that detailed documentary evidence (as highlighted above) in respect of the Le2,355,839,841 expended by the Ministry as details in Appendix 17 are made available for verification within 15 days upon the receipt of this report; otherwise, the full amount should be disallowed and surcharged on the approving officer(s).

8.3 NaCOVERC Management Respons

- All the issues related to NACOVERC and IHPAU (specifically relating to Dr. Stephen Sevalie) are available for ASSL inspection.
- Please refer to MoHS response in respect to Le2,355,839,841 expended as detailed in Appendix 17.

8.4 ACC/TI-SL Comments

Documentary evidence in respect of how Le5,660,419,000 and Le2,355,839,841 were expended by NaCOVERC and the permanent secretary - MoHS respectively were not made available to the ACC monitoring team. As a result, it could be very difficult to assess the value for money and financial processes.

Even though it was included in the management response that, issues related to NACOVERC and IHPAU (specifically relating to Dr. Stephen Sevalie) are available for ASSL inspection. However, these documents could not be found by the team.

NaCOVERC Comment during Validation

These documents were collated and presented to the Public Accounts Committee during the presentation of the report and this matter was resolved. The previous admin team maintains these documents and could be made available for verification.

ACC/TISL Comment after Validation

With reference to the foregoing, no evidences of documents were made available to the ACC/TISL team for inspection to clarify the above claims. **Therefore, this issue remains unresolved.**

9.0 Fixed Asset Management

9.1 Audit Findings

Fixed asset management is the process of tracking and maintaining an organization's physical assets and equipment. At the NaCOVERC, the asset types included vehicles, computers, furniture and machinery. Using an asset management system, organizations can track and monitor fixed assets, and oversee equipment and machinery in multiple locations.

The NaCOVERC has not exercised adequate control over the management of its assets as noted below by the auditors.

Payments totaling Le1,804,005,000 were made to various suppliers through bank transfers and cheques for the procurement of several assets. However, details such as the type and quantity were not made available as there were no delivery notes or contract documents. There is a risk that the assets were not delivered. The details of the bank transfers are given in Appendix 18.

The audit team conducted an inspection of the various offices at the NaCOVERC secretariat at the SLAFA Building, Kingtom, between 25th and 28th May. During this

inspection exercise, we observed that a significant number of assets (furniture & equipment) in the various offices were owned and controlled by NaCOVERC. However, the details of these assets have not been recorded in an assets or inventory register. The estimated total value of these assets based on the PPA 2016 price norm is Le2,296,268,000. This makes them susceptible to theft and conversion to personal use without the notice of the authorities. Details are given in Appendix 19.

From a review of documents, we noted that several assets were received by NaCOVERC from various donors. However, the locations of these assets were neither made known to the audit team nor the availability of the assets for physical verification. The total estimated value of these assets is Le453,152,000. The details of these assets are shown in Appendix 20.

The assets owned and controlled by the NaCOVERC (i.e. acquired by procurement and donations) have not been marked with unique identification codes to prevent them from being stolen or converted to personal use. This could make it difficult or even impossible to track down assets that have gone missing.

A location inventory was not maintained in respect of assets distributed to the various offices at the NaCOVERC secretariat. This could pose difficulty in determining the assets that are supposed to be at a particular location or office, during physical verification.

9.2 Audit Recommendations

It was recommended that the National Interim Coordinator should ensure the following within 15 days upon receipt of this report:

- a) The details of the assets that were procured through bank transfers and cheque for Le1,804,005,000 should be made available to the ASSL for verification; otherwise, the full amount should be disallowed and surcharged on the approving officer(s) for the refund of same.

- b) The logistics team should code all assets owned and controlled by NaCOVERC with durable identification code. In addition, the use of an asset register (i.e. a master inventory) for recording the details of all these assets should immediately be instituted. Furthermore, each location/office within NaCOVERC should maintain its own inventory of assets.
- c) All the assets donated to NaCOVERC as stated in the above appendix should be made available for verification; otherwise the full amount should be disallowed and surcharged on the approving officer(s) for the refund of same; and
- d) In future, NaCOVERC should set up an asset management system that tracks, monitors and oversee its assets in multiply locations

9.3 NaCOVERC Management Response

- a) The documents for the assets procured are available for review.
- b) Due to the emergency nature of the operations, the Assets Register have been an evolving document that is constantly being updated as and when equipment are procured/donated and allocated. A policy on capitalization is now in place. Work is ongoing to properly mark all assets of the response update the fixed assets accordingly.
- c) All donated items in Appendix 20 are available for verification.
- d) This is noted and efforts will be made to put in place an asset management system.

9.4 ACC/TI-SL Comments

In respect of asset management, during the monitoring exercise, the ACC/TI-SL team discovered the following listed below:

- a) Although it was indicated in the NaCOVERC management response that, documents related to the procurement of assets are available for review by ASSL, however, NaCOVERC failed to provide those documents to the ACC team at the time of monitoring.

- b) Some of the assets were not coded by NaCOVERC and this may lead to pilferage and misplacement of assets. However, the electronic assets register has detailed code assigned to each assets but some of the physical assets were not labeled.
- c) NaCOVERC provided a donation register to the ACC/TI-SL team detailing all donations received from various institutions to support the COVID - 19 response operations. However, documentary evidence showing how these donation items were distributed were not made available by NaCOVERC.
- d) Finally, the ACC/TI-SL team discovered that an assets management policy had been developed by NaCOVERC to ensure strict control and appropriate management of all assets owned by NaCOVERC.

NaCOVERC Comment During Validation

- a. As these were procurement activities done by the previous fiduciary team ACC/TI are kindly required to specify which procurement activities they wish to review so that arrangements could be made with the previous fiduciary team for these documents to be reviewed.
- b. This was also previously verified by ASSL. The Logistics Pillar will be willing to provide a tour to show that labeling of assets have been done.
- c. All donations received in stores are distributed through the stores system. Issue vouchers are available for verification at the stores.
- d. Asset policy available for verification. This was also provided to the ASSL during the subsequent audit. Copy is attached.

ACC/TISL Comment after Validation

- a. The management of NaCOVERC failed to provide supporting documents to justify this particular claim and therefore, this issue remains unresolved.
- b. Some of the assets were not coded by NaCOVERC and this may lead to pilferage and misplacement of assets. However, the electronic assets

register has detailed code assigned to each asset but some of the physical assets were not labeled. Therefore, this issue remains unresolved.

- c. This issue remains unresolved because, the management of NaCOVERC did not include in the dispatched envelope the delivery notes, issue vouchers etc. to the ACC/TISL for inspection and verification.
- d. Even though it was eluded in the verification response that an asset policy is available for inspection by the ACC/TISL team. On the contrary, the envelope dispatched to us lacks an asset policy. On that note, **this issue remains partially resolved.**

10.0 Stores – Medical, Food and Non-Food Items

10.1 Audit Findings

Several anomalies were noted in the way store items were managed by the logistics team. These anomalies which might have resulted from improper record keeping and accountability have created room for the potential loss of store items. These anomalies include but not limited to those mentioned below.

A store ledger in which the details of receipts and issuance of store items are recorded was not maintained by the logistics team. This resulted in difficulties in accounting for receipts and issuance of store items, and created room for possible fraud and misappropriation of same.

The requests made for the supply of food items to quarantined homes/centres were not supported by a list of the quarantined homes/centres that benefited from those items. This made it impossible for the auditors to ascertain whether items valued at Le675,707,200 were supplied to the respective quarantined homes and centres, and whether the beneficiaries received those same. Appendix 21 provides details of these requests.

From a review of the store issue vouchers (SIVs), we observed that various personnel of NaCOVERC, as indicated in Appendix 22 received supply of food and non-food items amounting to Le149,272,400 for distribution to quarantined

homes/centres. However, the evidence to indicate that these items were delivered to the quarantined homes/centres was not made available for audit inspection.

There was no record of the movement of items in and out of the store at the Joint Logistics Unit at Murray Town, for the entire month of April. Meanwhile donated items in April had an estimated value of Le2.5 billion. (See Appendix 26 for details)

There were no end-user requests for a number of items issued from stores for the period under review. As a result, the auditors could not confirm whether there was need for the logistic team to issue out those items; and whether the items issued were used for the intended purposes.

10.2 Audit Recommendations

We recommend that the National Interim Coordinator should ensure the following within 15 days upon receipt of this report:

- a) The use of store ledgers should be instituted by the logistics team for the recording of receipts and issuance out of store
- b) The list of quarantined homes/centres that benefited from the supply of food items, as per the requests made for them (including the evidence of receipt of these items by the various quarantined homes) should be made available to the ASSL for verification, otherwise the approving officers should be required to refund same.
- c) The missing donated items in April with an estimated value of Le675,707,200 be refunded by the approving officer(s) except evidence is provided otherwise; and
- d) In future, the issue of items from stores should emanate from requests that are approved by an officer with the designated responsibility. In addition, appropriate controls should be implemented by the logistics team to enable them account for store items in a transparent manner.

10.3 NaCOVERC Management Response

- a) We acknowledged that store ledgers were not adequately maintained for the period under review.
- b) Copies of Stock Issue Vouchers (SIVs) for all District Deliveries for the period under review have been copied and presented for your attention and review. However, the response from various end-user distribution list for the various districts is attached.
- c) Furthermore, in some instances, adherence to COVID-19 protocols that required social distancing limited direct access to beneficiaries in the quarantine homes. Reference is made to the letter from the Quarantine Manager, Koinadugu District, dated 12th October, 2020.
- d) A Supplies/Store Management Policy is in place and being implemented. This will ensure appropriate controls are implemented by the logistics team to enable them account for store items in a transparent manner.

10.4 ACC/TI-SL Comments

Upon the monitoring exercise, the ACC/TI-SL team made the under mentioned observations in the stores/logistics department of NaCOVERC:

- a) NaCOVERC is not properly and consistently using a store ledger to record in and out flow of items. More generally, the recording of store items is highly manual and if someone is mischievous to take off one page of the ledger which has detail of information, it could be very difficult to trace it. On that note, the ACC/TI-SL team recommends for a digitized and computerized recording of store items which is in line with international best practices.
- b) The list of quarantine homes and centres that benefited from food items were as per request made were not made available to the ACC/TI-SL team for review.
- c) The ACC/TI-SL team found out that NaCOVERC is using Store Issue Vouchers (SIVs) to embrace adequate management of store items. However, the ACC

team further discovered that, the store issue vouchers were not exhaustive and standard. This was because, the stock release voucher lacks the name, signature and date of Issuer. Therefore, this does not imply best store management principles. Also, the management of NaCOVERC do not have homogeneous way of requesting for store items as all departments have difference method of requesting for store items and no approval was sought from heads of department which undermine inventory control principles. Nonetheless, bin cards were not adequately maintained and no stock reconciliation report had been prepared by the logistics and stores department.

Following the above comments and despite the significant strides made by NaCOVERC to develop store operating procedures and policy, lots are needed to improve the inventory control management.

NaCOVERC Comment during Validation

- a.** NaCOVERC will consider the recommendation for a digitized and computerized stores system. However, taking into consideration budget constraints and the temporary nature of the response, the system currently used by the RSLAF to manage movement of items in and out of the stores, is being adopted.
- b.** List of quarantine homes that benefit from food items is available at the Quarantine Pillar. This is available for verification if a specific period and district is selected by the ACC /TI TEAM.
- c.** As was mentioned in the management's response, control lapses identified by the ASSL have been taken into consideration and addressed. Previous lapses cannot be undone. The ACC team is invited to take a look at current documentation and make an assessment of current controls.

ACC/TISL Comment after Validation

- a. The validation response of NaCOVERC is noted. However, the ACC/TISL team still encourages NaCOVERC to use an appropriate stock control management system and continue to explore pool of negotiations with relevant authorities meant to create budget availability to incorporate digitalized stock control systems in order to ensure the culmination of best practices.
- b. This implies a clear dichotomy of reporting. The ACC/TISL expect that repercussions of activities undertaken at district level must be communicated to head office (certainly this is absence in the case of NaCOVERC). On that note, the management of NaCOVERC did not furnish the team with supporting documents to substantiate the claim. Therefore, this issue remains unresolved.
- c. The ACC/TISL team recommends that going forward, management of NaCOVERC should implement the recommendations as ascribed in the audit report accordingly.

11.0 Conflict of Interest

11.1 Audit Findings

After Sierratel was part of the team that carried out a needs assessment of the ICT requirements of the NaCOVERC around the country, they were later awarded a contract for 12 months with an estimated value of Le9,682,453,750, leading the audit to conclude a case of conflict of interest.

11.2 Audit Recommendations

We recommend that the National Interim Coordinator in collaboration with the ICT Pillar consider reviewing this contract as the assessment which formed the basis for the awarding of the contract was flawed as it appeared to have influenced by conflict of interest.

11.3 NaCOVERC Management Response

WFP had requested that a thorough assessment be made to all the districts command centres. SIERRATEL as the last mile solution provider was consulted to assist in the assessment given their capability as to where the optic fiber cables are closest to the command centres of the districts. WFP has its own approved internet service provider who will be providing internet services to the DICOVERCS.

11.4 ACC/TI-SL Comments

The management of NaCOVERC did not provide any document that substantiated the issue of conflict of interest in respect of ICT requirement across the country.

12.0 Hiring of Vehicles

12.1 Audit findings

We observed that a number of payments were made to Moliba Car Rental Services for the hiring of vehicles. Review of the documents made available revealed that a total of 103 vehicles have been hired from this single company since February. The total payment to this company as at 30th May was Le3,395,007,000 as indicated in table 7 below.

The audit however noted that missing amongst the documents presented were:

- a) request from end-users for these vehicles;
- b) regular or periodic needs assessment for the hiring of these vehicles;
and
- c) confirmation of availability of these vehicles to the end-user for the periods being charged for.

We could therefore not ascertain whether maximum value for public expenditure was achieved from these transactions.

12.2 Audit Recommendations

We recommend that the National Interim Coordinator should provide the above requested documents within 15 days upon receipt of this report.

12.3 NaCOVERC Management Response

All request for Hired Vehicles are initiated by Heads of Offices and Pillar Leads based on their operational needs and are then sent to the office of the Interim

National Coordinator for approval. These are then minuted, to the Transport and Logistics Lead to take necessary action based on the directive of the coordinator. These requests are then filed and IHPAU are then informed of the directive as they had a framework contract with the supplier during the period under review.

At the initial stage of the Response, a needs assessment on pillar's operational needs for vehicle support was done and that formed the basis on which the allocation was done. Request for specific operations outside the existing pool would have to be approved by the coordinator and reviewed after the specific activity had been concluded.

Letters for the confirmation of hired vehicles assigned to all pillars and/or Head of offices are sent out at the end of each month for verification by end-users. Letters include a list of hired vehicles and drivers, for the attention and signature of Pillar Leads and or heads of offices.

All documents relating to the hiring of vehicles for NACOVERC operations are available for verification.

12.4 ACC/TI-SL Comments

In respects of vehicle hiring, the management of NaCOVERC provided to the ACC/TI-SL team the framework agreement between Moliba car rentals and that of NaCOVERC and, the later failed to produce evidence of the procurement processes that form the basis upon which the former was awarded a frame work contract. Also, documentary evidence relating to requests and confirmations from vehicle end - users, vehicle operations plan, log sheets etc. were not made available but rather, vehicle request from pillar heads were provided for review.

NaCOVERC Comment During Validation

Framework contract issued to Moliba was on the basis of the supplier already been engaged by the MoHS. Documentation around this is available for review. This however was not an issue raised by the ASSL in the report. Pillar leads are regarded

as end users and vehicles are assigned to them. They request and confirm use of vehicles. Sample of documentation is attached.

ACC/TISL Comment after Validation

The findings of ASSL were legitimate. Also, ACC/TISL team has the mandates to probe into these findings for systemic purposes. However, in this particular situation, pillar leads are not end users of vehicles. On that note, no evidential documents were provided to the team to justify the issue in question. However efforts have been made to sanitize the system. **Therefore, the issue is partially resolve.**

13.0 Fuel Management

13.1 Audit findings

The DiCOVERCs have made arrangement with fuel dealers for the supply of fuel for their operations. It was noted that payments have been made in advance to these fuel dealers. However, these arrangements have not been documented in the form of contracts.

Several DiCOVERCs have either not instituted fuel chit systems for the distribution of fuel, or fuel registers for the recording of receipts and issuance of fuel. As a result, reconciliations have not been done with fuel dealers. For instance, the DICOVERC in Tonkolili purchased 2,000 litres of fuel at a cost of Le14 million on 13th July. The receipt and issues relating to this transaction were neither recorded in a fuel register nor reconciled with the fuel dealer's records during or after consumption.

13.2 Audit Recommendations

We recommend that the following is implemented by the District Coordinators within 15 days upon receipt of this report:

- a) The arrangement between the DiCOVERCs and their respective fuel dealers for the supply of fuel for their operations should be documented;

- b) the DiCOVERCs should institute fuel chit systems for the distribution of fuel for official purposes, and the use of fuel registers for the recording of receipts and issue of fuel; and
- c) regular reconciliations of the records of the DiCOVERCs and those of the fuel dealers should be carried out to identify investigate and resolve all differences and discrepancies. In addition, the reconciliation records should be retained for audit and other reference purposes.

13.3 NaCOVERC Management Response

We acknowledge the findings and recommendations on fuel management. However, a Vehicle and Fuel Management Policy has been developed to help guide the use and operations of all NaCOVERC and DiCOVERCs Operational areas. Training on this policy is planned for all DiCOVERCs.

13.4 ACC/TI-SL Comments

The ACC/TI-SL team clearly understands through first hand discussion with the management of NaCOVERC that, fuel management had been decentralized across all DiCOVERCs and, it is entirely under full control of the management of DiCOVERCs. Even though, fuel management had been decentralized, the ACC/TI-SL team reckoned that, all DiCOVERCs report directly to NaCOVERC. Therefore, it is expected that NaCOVERC should be able to provide certain documents in respect of fuel management of all DiCOVERCs as requested by the ACC monitoring team for review. Among these documents includes, agreement between DiCOVERCs and fuel dealers, fuel chit, log sheet and fuel reconciliation reports. However, NaCOVERC did not make these documents available for review.

Also, in spite of the fact that fuel management policy had been developed by NaCOVERC to guide fuel management process, yet, this policy has not been fully institutionalized. This is because, training on this policy is planned for all DiCOVERCs as eluded by management of NaCOVERC but this plan was not share with the ACC monitoring team.

Therefore, the ACC/TI-SL team recommends that going forward, the management of NaCOVERC should adapt transparent and accountable fuel management system starting from sourcing of fuel dealers and its utilization.

NaCOVERC Comment during Validation

Fuel Management system has been improved over time along with the policy. Arrangements can be made for verification of the current system at the request of the ACC team.

ACC/TISL Comment after Validation

The response of NaCOVERC is noted and subsequent audit will bring revelations in that regard. However, ACC/TISL team expect that documentary evidence to justify that the fuel management systems have improve would have been dispatched to us as done form some of the audit findings for clarity's sake but to no avail. **Therefore, this issue remains unresolved.**

14.0 Procurement and Contract Management

14.1 Audit Findings

Contracts were awarded by the DiCOVERC in Kono to Madam Mariama Kandeh for the supply of food to a community care centre at Dorma. There was however, no evidence that value-for-money was obtained, as other service providers were not considered in arriving at this decision.

The DICOVERC in Kono signed a lease agreement with Mr. Tamba Bunduka of Average Guest House and Restaurant, for the lease of his 34-room guesthouse for three months on 17th May at a room rate of Le200,000 per night. The first invoice for Le84,320,000 was issued and paid on 24th June, although there was no evidence of the number of people who had actually stayed in the guesthouse during the 31-days period to up to 20th June. There was therefore no evidence that value-for-money was obtained both in terms of securing the services of this guesthouse

in the absence of competition, and the decision to lease the entire hotel in absence of needs assessment supported by evidence of the number of possible occupants. The DiCOVERC in Kono paid two school principals Le2,500,000 each for repairs and maintenance of their school facilities after they were used as community care centre (CCC). There was however no evidence that these funds were received by the recipients as there were no receipts issued by the school authorities confirming these transactions.

14.2 Audit Recommendations

We recommend that within 15 days upon receipt of this report, the District Coordinator at the Kono DiCOVERC should ensure the following:

- a) Contracts awarded by the DiCOVERC should be open, competitive and transparent;
- b) a proper account including the details and number of people that stayed at the Average Guest House and Restaurant in Kono should be provided for the Le84,320,000 that was paid to them on 24th June;
- c) the Le2,500,000 which was paid to two school principals for repairs and maintenance of their school facilities should be refunded and paid back into the DiCOVERC's account except evidence is provided otherwise.

14.3 NaCOVERC Management Response

The team acknowledges the observations on procurement and contract management. Efforts have been made to establish Standard Operating Procedures (SOPs) for financial management and procurement across the response. Training and capacity building of core staff at the DiCOVERCs is ongoing to address these weaknesses.

Management notes with concern the issue raised by ASSL about the accountability and transparency in the use of funds disbursed to the DiCOVERC Kono. In this

regard, management has instituted a full investigation into the issue raised and appropriate action will be taken on the findings of the investigation.

14.4 ACC/TI-SL Comments

During the monitoring exercise of the ACC/TI-SL team, the management of NaCOVERC failed to provide procurement documents that particularly signified how contract was awarded to Madam Mariama Kande for the supply of food to a community care centre at Dorma. Additionally, NaCOVERC did not unveil documentary evidence that speaks to the refund of Le2,500,000 which was paid to two principals for the repair and maintenance of school facilities and for which there was no evidence that these monies were received by the recipients.

Therefore, the ACC/TI-SL team recommends that going forward, DiCOVERCs to ensure that all procurement processes should be transparent whilst, not forgetting to adapt the National Public Procurement Act of 2016.

NaCOVERC Comment during Validation

All procurement processes within the response are as per the provisions of emergency regulations and or NPPA regulations and guidelines. The ACC team are welcomed to verify current activities if same is desired. Documentation relating to previous activities can also be verified if proper notification is provided as this will require the input of the previous fiduciary agents.

ACC/TISL Comment after Validation

The ACC/TISL further encourages management of NaCOVERC to look at the scope of this report and that will help greatly to understand the blanket period this exercise covers. Therefore, the ACC/TISL still continue to recommends that going forward, DiCOVERCs to ensure that all procurement processes should be transparent whilst, not forgetting to adapt the National Public Procurement Act of 2016.

15.0 VERIFICATION OF THE USE CURRENT PRICE NORM

In the verification of the current price norm in respect of procurement of goods, Services and works, the management of NaCOVERC referred the ACC monitoring team to BDO - a new fiduciary agent mandated to execute all procurement operations to support the COVID - 19 response.

However, it was observed that the BDO is not always following the procurement price norm adequately as established by law through NPPA. This was because BDO alluded that, the procurement price norm does not take into consideration taxes (GST) and specifications of items.

NaCOVERC Comment During Validation

The procurement team by BDO aims to achieve value for money as well as ensuring compliance with relevant regulations. The price norm is guide and is always applied within a context. The BDO team considers the price norm in all procurement activities and is part of the factors considered in decision making. We are confident that all instances in which the price norm was not applied are those in which the price negotiated was less than the guide provided in the price norm with the singular aim of ensuring “value received” and “price paid” were properly matched. If there is any evidence that proves otherwise or confirms that the Procurement team has not followed the price norm in any procurement activity, and has resulted to a loss of public funds, we kindly request the team to share with the management of NACOVERC for further investigation.

ACC/TISL Comment after Validation

BDO have some valid reasons for not religiously following the prices quoted in the Price Norm. However, no documentary evidence was provided to ACC/TISL team to substantiate their claims.