



REPORT
OF
THE PUBLIC ACCOUNTS COMMITTEE (PAC)
ON THE CONSIDERATION OF THE REPORT OF THE
AUDITOR-GENERAL
ON LOCAL COUNCILS
FOR THE FINANCIAL YEAR 2023

PRESENTED BY:

HON. IBRAHIM TAWA CONTEH

DEPUTY SPEAKER & CHAIRMAN
PUBLIC ACCOUNTS COMMITTEE (PAC)

SIERRA LEONE PARLIAMENT

December, 2025

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)
ON THE CONSIDERATION OF THE REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF SIERRA LEONE FOR THE FINANCIAL YEAR 2023

THIRD SESSION OF THE SIXTH PARLIAMENT
OF THE SECOND REPUBLIC OF SIERRA LEONE

L Aid IN PARLIAMENT PURSUANT TO:

Section 119 of the Constitution of Sierra Leone, 1991 (Act No. 6 of 1991)
Standing Order 70(6) of the Standing Orders of Parliament

PREPARED BY:

THE PUBLIC ACCOUNTS COMMITTEE (PAC)
PARLIAMENT OF THE REPUBLIC OF SIERRA LEONE

CHAIRMAN:



HON. IBRAHIM TAWA CONTEH
Deputy Speaker of Parliament
Chairman, Public Accounts Committee (PAC)

DATE: February, 2026

TABLE OF CONTENTS

LIST OF ACRONYMS.....	2
ACKNOWLEDGEMENTS.....	4
COMMITTEE MEMBERSHIP.....	6
1.0. INTRODUCTION	8
1.1. Background.....	8
1.2. Mandate and Powers of the Public Accounts Committee (PAC)	9
1.3. Terms of Reference.....	9
1.4. Scope of the Inquiry	10
1.5. Methodology	11
2.0. CROSS-CUTTING ISSUES AND RECOMMENDATIONS.....	12
3.0 ACHIEVEMENTS OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)	20
4.0 SUMMARY OF AUDIT ISSUES RESOLUTION STATUS FOR LOCAL COUNCILS.....	22
5.0 UNRESOLVED ISSUES: COUNCIL-SPECIFIC OBSERVATIONS AND RECOMMENDATIONS.....	24
5.1. Freetown City Council	24
5.2 Western Area Rural District Council	26
5.3 Kenema District Council.....	28
5.4 Kailahun District Council.....	31
5.5 Kenema City Council.....	31
5.6 Bo District Council	32
5.7 Pujehun District Council.....	35
5.8 Bonthe Municipal Council.....	36
5.9 Moyamba District Council	38
5.10 Bo City Council.....	39
5.11 Bonthe District Council	40
5.12 Makeni City Council.....	44
5.13 Bombali District Council	45
5.14 Falaba District Council	46
5.15 Koinadugu District Council.....	47
5.16 Koidu New Sembehun City	48
5.17 Kono District Council.....	48

5.18 Port Loko District Council	49
5.19 Port Loko City Council.....	50
5.20 Karene District Council	51
5.21 Tonkolili District Council.....	52
5.22 Kambia District Council.....	54
6.0 AUDIT ISSUES RESOLVED BY THE COMMITTEE AND ASSOCIATED RECOMMENDATIONS..	56
7.0 CONCLUSION.....	75
8.0 APPENDICES	76
FREETOWN RESOLUTIONS 2025 FOR LOCAL COUNCILS	81

LIST OF ACRONYMS

ACC	-	Anti-Corruption Commission
AG	-	Auditor General
AGD	-	Accountant General Department
APG	-	Advance Payment Guarantee
AO	-	Accounting Officer
ASSL	-	Audit Service Sierra Leone
AVDP	-	Agriculture Value Chain Development Project
BoQs	-	Bill of Quantities
BSL	-	Bank of Sierra Leone
CA	-	Chief Administrator
CRF	-	Consolidated Revenue Fund
CRS	-	Corporate Social Responsibility
DAO	-	District Agriculture Officers
DS	-	Development Secretary
EU	-	European Union
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
FCC	-	Freetown City Council
FO	-	Finance Officer
FSRP	-	Food System Resilience Programme
FY	-	Financial Year
GPFS	-	General Purpose Financial Statement
IA1	-	Internal Auditor
ICB	-	International Competitive Bidding
ICT	-	Information and Communication Technology
IFMIS	-	Integrated Financial Management System
IPCs	-	Interim Payment Certificates
IT	-	Information Technology
LG	-	Local Government
LGSC	-	Local Government Service Commission
LPO	-	Local Purchase Orders
MDAs	-	Ministries, Departments and Agencies
MoF	-	Ministry of Finance
MoU	-	Memorandum of Understanding
MNOs	-	Mobile Network Operators
NASSIT	-	National Social Security and Insurance Trust
NCB	-	National Competitive Bidding
NLe	-	New Leones
NPPA	-	National Public Procurement Authority
NMA	-	National Minerals Agency
NRA	-	National Revenue Authority
PAC	-	Public Accounts Committee
PAYE	-	Pay-As-You-Earn

PEPs	-	Politically Exposed Persons
PFMA	-	Public Financial Management Act, 2016
PFMRU-		Public Financial Management Reform Unit
PRA	-	Petroleum Regulatory Agency
PO	-	Procurement Officer
PPP	-	Private Public Partnership
PSC	-	Public Service Commission
PS	-	Permanent Secretary
PVs	-	Payment Vouchers
RRVCP-		Regional Rice Value Chain Project
RfQ	-	Request for Quotation
SLE	-	Sierra Leonean Leone
SLRA	-	Sierra Leone Roads Authority
TIN	-	Tax Identification Number
UADF	-	Universal Access Development Fund
WHT	-	Withholding Tax

ACKNOWLEDGEMENTS

The Public Accounts Committee (PAC) acknowledges the support and cooperation of all individuals and institutions whose contributions facilitated the consideration of the Auditor-General's Report on Local Councils for the Financial Year 2023 and the successful completion of this inquiry.

The Auditor-General and Staff of the Audit Service Sierra Leone

The Committee extends its sincere appreciation to the Auditor-General and the staff of the Audit Service Sierra Leone for the submission of comprehensive audit reports on Local Councils, including detailed analyses, schedules of audit queries, and clarifications provided during the Committee's hearings. The professionalism, technical expertise, and responsiveness of the audit teams were instrumental in enabling the PAC to thoroughly examine the issues raised and to develop informed findings and recommendations.

Staff of Local Councils

The PAC appreciates the cooperation of Local Council leadership and staff, including Chairpersons/Mayors, Chief Administrators, Finance Officers, and other officials, who appeared before the Committee and provided relevant documents and explanations. Their constructive engagement greatly facilitated the Committee's assessment of financial management, internal controls, and service delivery at the local government level.

Members of Parliament and Committee Members

The PAC commends all Members of Parliament and Committee Members for their dedication and professionalism, which ensured a fair, objective, and credible examination of the Auditor-General's findings. The Committee remains optimistic that adherence to these recommendations will reinforce sound financial management practices and improve service delivery across Local Councils.

The PAC Secretariat

The Committee commends the PAC Secretariat for its diligent and professional support throughout the inquiry process. The Secretariat's role in coordinating hearings, conducting background research, managing records, and preparing documentation was vital to the efficient conduct of the Committee's work and the timely preparation of this report.

EXECUTIVE SUMMARY

The Public Accounts Committee (PAC) of the Parliament of Sierra Leone reviewed the 2023 Auditor-General's Report on Local Councils to assess compliance with existing financial, procurement, and governance frameworks and to promote transparency, accountability, and value for money in local governance.

The review revealed persistent systemic weaknesses across most Local Councils, notably in revenue mobilisation, financial management, procurement compliance, internal audit effectiveness, asset control, and statutory remittances. Although some audit queries were subsequently resolved following PAC engagements, the recurrence of similar issues across Councils underscores structural and capacity-related challenges rather than isolated lapses.

A major concern identified was the widespread underperformance in own-source revenue collection, largely attributable to the absence of comprehensive revenue databases, unrealistic revenue projections, weak enforcement mechanisms, disputes with Chiefdom Authorities, ineffective cadastral systems, and non-payment of property rates by the Central Government. In contrast, a few Councils that adopted data-driven revenue strategies and stakeholder's engagement demonstrated that improved performance is achievable.

The Committee also observed non-compliance with procurement laws, particularly the misuse of the Request for Quotations (RfQ) method above statutory thresholds following an NPPA circular that was not laid before Parliament. This practice undermined constitutional and statutory provisions and exposed Councils to procurement risks.

Further, the ineffectiveness of the PETRA Accounting System continued to impede financial transparency and access to real-time information. While the planned migration to the PFM SMART System is welcomed, delays and capacity gaps remain a concern. Weak internal audit units, poor records management, unverified fixed assets, and delayed or non-remittance of statutory deductions (PAYE, withholding taxes, and NASSIT contributions) were also prevalent.

The Committee noted that frequent and uncoordinated transfers of core Local Council staff, without proper handover, disrupted audit processes and weakened institutional continuity. Additionally, donations to devolved sectors without the involvement of Councils created accountability gaps for which Councils were nonetheless held responsible.

In view of these findings, the Committee made far-reaching recommendations, including strict enforcement of procurement and financial management laws; development of comprehensive revenue and asset databases; strengthening of internal

audit and audit committees; timely disbursement of approved allocations to Councils; full migration to the PFM SMART System; and improved coordination among central government institutions, Local Councils, and devolved sectors.

The PAC reaffirms its commitment to follow up on the implementation of its recommendations and urges all stakeholders to take corrective actions to enhance fiscal discipline, service delivery, and public confidence in Local Councils.

COMMITTEE MEMBERSHIP

In accordance with Standing Order 70 [1], the composition of the Public Accounts Committee includes the following members:

No	Name	Position	Political Party
1	Hon. Ibrahim Tawa Conteh	<i>Chairman</i>	SLPP
2	Hon. P.C. Desmond Mahayei Kargobai	<i>Deputy</i>	PCMP
3	Hon. Hon. Jibrila Sur Moijueh	<i>Member</i>	SLPP
4	Hon. Emilia Lolloh Tongi	<i>Member</i>	SLPP
5	Hon. Joseph Abdul Bash-Kamara	<i>Member</i>	SLPP
6	Hon. Dickson Momoh Rogers	<i>Member</i>	SLPP
7	Hon Alpha Fode Madie Jabbie	<i>Member</i>	SLPP
8	Hon. Aaron Aruna Koroma	<i>Member</i>	APC
9	Hon. Abdul Karim Kamara - Kambia	<i>Member</i>	APC
10	Hon. Ibrahim Aziz Bangura	<i>Member</i>	APC
11	Hon. P.C. Haja Bintu F.M. Kajue Koroma VI	<i>Member</i>	PCMP

PAC SECRETARIAT

The Secretariat supported the Committee, compiled the report, and coordinated officials and experts for the hearings. The Secretariat comprises the following staff:

- Augustine Sesay** - Deputy Director and Head of Secretariat [PAC]
- Musa L. A. Foullah** - Deputy Director, Official Reports [Hansard] [PAC]
- Hon. Alieu Ibrahim Kamara** - Consultant, Office of the Deputy Speaker

Sheku Lamin Turay	-	Director, Parliamentary and Public Relations Department
Lovinda Marie Kanu	-	Senior Stenographer [PAC]
Magdalene Samba	-	Committee Clerk
Sayo Turay	-	Committee Clerk
Lucian Lamin	-	Principal Stenographer [PAC]
Edward B. Koroma	-	Videographer Officer [PAC]
Sulaiman Bah	-	Principal Media Relation Officer [PAC]
Salieu G. A. Kamara	-	ICT Technician [PAC]
Mustapha Sheriff	-	Sound Technician
Kairie Ulaba Samura	-	Parliamentary Officer - PAC
Hallie Tengbeh	-	Senior Financial Analyst-PBO
David Kabba Ninka	-	Budget Officer- PBO
Emmanuel Barrie	-	Intern

1.0. INTRODUCTION

1.1. Background

The Public Accounts Committee (PAC) of the Parliament of Sierra Leone is mandated to promote accountability, transparency, and the prudent management of public resources. Central to this mandate is the examination of the Auditor-General's Annual Reports, through which the Committee holds Ministries, Departments and Agencies (MDAs) and Local Councils accountable for the utilisation of public funds.

Pursuant to Section 119 of the 1991 Constitution of Sierra Leone, the Auditor-General is empowered to audit the public accounts of the State, including Local Councils and all institutions funded from public resources, and to report directly to Parliament. These reports provide the principal basis for parliamentary oversight of public financial management, assessing the economy, efficiency, and effectiveness of public expenditure.

This report presents the PAC's review of the 2023 Auditor-General's Report on Local Councils, which disclosed persistent weaknesses in financial management and governance at the local level. Key audit concerns related to non-compliance with procurement laws, weak revenue mobilisation, ineffective internal audit systems, poor records and asset management, unpaid statutory deductions, and deficiencies in the management of contracts and public projects. Several of these issues were recurrent, reflecting limited implementation of previous audit and PAC recommendations.

In conducting its inquiry, the Committee assessed the extent to which Local Councils complied with the applicable Public Financial Management and procurement laws, responded to audit findings, and ensured value for money in the use of public resources. The review also examined systemic constraints affecting Councils' performance, including institutional capacity gaps, weaknesses in financial systems, and coordination challenges with central government institutions and devolved sectors.

Through this review, the PAC seeks to apprise Parliament of the underlying causes of Public Financial Management weaknesses within Local Councils and to advance practical and enforceable recommendations aimed at strengthening governance, enhancing fiscal discipline, and improving service delivery at the local level.

1.2. Mandate and Powers of the Public Accounts Committee (PAC)

The PAC is mandated to promote accountability and transparency in public financial management. Under **Section 119(2) of the 1991 Constitution**, the Auditor-General audits public accounts and submits annual reports to Parliament, which the PAC examines to ensure government spending complies with legal and regulatory frameworks.

Further, **Section 93(3) of the Constitution** empowers the PAC to investigate the administration of ministries and departments and to review any legislative proposals arising from its inquiries. **Order 70(6) of the Parliamentary Standing Orders** grants the Committee authority to examine annual accounts, special reports of the Auditor-General, and the accounts of statutory corporations and boards, including during parliamentary recess.

To discharge its oversight role effectively, the PAC has extensive powers under **Section 93(6) of the Constitution**, including:

- **Summoning witnesses** to appear before the Committee and testify under oath or affirmation.
- **Compelling the production of documents** and records necessary for its inquiries.
- **Examining witnesses abroad** through commissions or remote testimony when required.

These powers, equivalent to those of a High Court, enable the PAC to conduct thorough investigations and ensure effective oversight of public financial operations.

1.3. Terms of Reference

- ⇒ **To examine and assess** the Auditor-General's 2023 findings on Local Councils, with particular focus on compliance with public financial management, procurement, and local government laws.
- ⇒ **To evaluate** the effectiveness of Local Councils' financial management systems, including revenue mobilisation, expenditure control, accounting systems, internal audit functions, and asset management.
- ⇒ **To determine** the extent to which audit queries were resolved, statutory obligations met, and previous audit and PAC recommendations implemented.
- ⇒ **To make and follow up** recommendations aimed at strengthening accountability, improving fiscal discipline, ensuring value for money, and enhancing service delivery at the local government level.

1.4. Scope of the Inquiry

The Public Accounts Committee (PAC) was mandated to review the **2023 Auditor-General's Report on Local Councils**, with particular emphasis on the financial management and governance practices of **District, City, and Municipal Councils** across the country. The inquiry focused on examining the accounts, operations, and use of public resources by Local Councils during the 2023 financial year.

The review covered key areas highlighted in the audit report, including **procurement and contract management, revenue mobilisation, expenditure control, statutory deductions, payroll administration, internal audit effectiveness, accounting systems, records management, and the management and verification of fixed assets**. Particular attention was paid to recurring and systemic irregularities such as non-compliance with procurement thresholds, unpaid PAYE, withholding tax and NASSIT contributions, weak internal controls, ineffective accounting systems, and poor revenue performance.

The Committee examined both **cross-cutting issues affecting Local Councils nationwide** and **council-specific audit queries**, with a view to identifying root causes of persistent weaknesses and assessing the extent to which previous audit and PAC recommendations had been implemented. Public hearings and engagements were conducted at Parliament and during oversight visits to selected District and City Councils to obtain clarifications from Council Managements and other relevant stakeholders.

Accordingly, the PAC's report sets out:

- **Findings** on financial, managerial, and procedural deficiencies identified during the inquiry;
- **Observations** on systemic and institutional challenges affecting Local Councils;
- **Recommendations** aimed at strengthening accountability, improving financial discipline, and enhancing service delivery at the local level; and
- **Follow-up measures** to monitor compliance with the Committee's recommendations and ensure corrective actions are implemented.

1.5. Methodology

The Public Accounts Committee (PAC) adopted a structured and evidence-based approach in reviewing the 2023 Auditor-General's Report on Local Councils. The inquiry was conducted in accordance with the Committee's constitutional and Standing Orders mandate, with technical support from the PAC Secretariat and clarifications provided by the Audit Service Sierra Leone (ASSL).

Review of Audit Reports and Documentation

The Committee examined the Auditor-General's 2023 audit findings relating to Local Councils, together with relevant financial statements, management letters, and supporting documents submitted by Councils. These documents were reviewed to assess compliance with public financial management, procurement, and local government laws.

Public Hearings and Evidence Gathering

The Public Accounts Committee (PAC) conducted two hearings at Parliament, involving the Freetown City Council (FCC) and the Western Area Rural District Council (WARDC). Hearings for the remaining Local Councils were held at the regional and district levels to facilitate broader participation and on-site verification.

During these hearings, Council Chairpersons, Chief Administrators, Finance Officers, and other responsible officers appeared before the Committee to provide oral and written explanations on audit queries. Submissions were carefully cross-checked against the Auditor-General's findings and supporting documents to determine their accuracy, credibility, and the extent of resolution of the audit issues.

Analysis and Deliberations

Evidence obtained from the Auditor-General's Report, written submissions, oral testimonies, and oversight engagements was analysed to identify recurring, systemic, and council-specific weaknesses. The Committee deliberated on unresolved audit issues, the extent of compliance with previous recommendations, and institutional constraints affecting Local Councils.

Reporting and Follow-Up

Based on the evidence reviewed, the PAC prepared its report outlining findings, observations, conclusions, and recommendations. The report also provides guidance on follow-up actions and monitoring mechanisms to ensure implementation of the Committee's recommendations and to strengthen accountability within Local Councils.

2.0. CROSS-CUTTING ISSUES AND RECOMMENDATIONS

⇒ **Alteration on the thresholds regarding the Procurement of Goods and Services**

During the review process of the 2023 Auditor General's Report on Local Councils, the Committee observed that:

- in a Circular dated 2024, the National Public Procurement Authority [NPPA] referenced Section 68[2] of the NPPA Act, 2016, to significantly alter the thresholds for works, goods and services from **NLe100** to **NLe250** for the use of RfQs without recourse to Parliament;
- contravened Section 170[11-12] of the 1991 Constitution of Sierra Leone, which states that Regulations made by entities should be laid in Parliament before implementation. It also flouted Section 39[3&4] of the Finance Act, 2020, which clearly states that all transactions below **NLe100** require the use of the RfQs method, while those above **NLe100** require the use of the NCB method;
- acting on the Press Release by the NPPA, Local Councils used RfQs for transactions above **NLe100** instead of the NCB method.

In view of the above, the Committee recommends the following:

- *the NPPA should retract their public notice until the Regulation is brought to Parliament in accordance with Section 170[7] of the 1991 Constitution of Sierra Leone and Section 39[3&4] of the Finance Act, 2020, as amended; and*
- *Local Councils should ensure that procurement of goods and services is done in line with Section 39[3&4] of the Finance Act, 2020, punitive action will be taken against defaulters for non-compliance.*

⇒ **Lack of Adequate Information Regarding Rollovers**

The Committee noted that Local Councils received rollovers from the Ministry of Finance; however, the audit report lacked specific details regarding the amounts received as rollovers. This absence of information presented a significant challenge for the Committee to accurately determine the actual rollover amounts received and their subsequent utilisation.

Consequent upon the above, the Committee recommends that, going forward, Audit Service Sierra Leone [ASSL] should clearly indicate the actual amounts allocated to Councils as rollovers. This is to ensure accurate financial statements presentation and maintain regulatory compliance. ASSL should also investigate the utilisation of revenue collected in order to ascertain whether value for money was achieved.

⇒ **Faulty Petra Accounting Software**

The Committee identified several significant challenges associated with the PETRA Accounting System, which has led to restricted access. Currently, only one or two users are able to use the system, despite the Ministry of Finance paying for access for ten

users. This limitation highlights inefficiencies and potential issues within the system's implementation and user accessibility. The other challenge has to do with the Service Provider who is located in South Africa, leading to delays in immediate response during system crashes. This situation has compelled some Local Councils to be using manual systems or stand-alone computers. Consequently, this transition restricts access for key stakeholders, including Chairmen, Chief Administrators, Internal Auditors, and other users.

During discussions with key stakeholders in the local governance system, it was highlighted that servers and other necessary equipment have been acquired for the full implementation of the new Public Financial Management [PFM] Smart System. This system is designed to be user-friendly and operates on a web-based platform. The Public Financial Management Reform Division [PFMRD] has also established a sustainable plan for the PFM Smart System, aimed at overcoming the challenges that were previously associated with the PETRA System.

In view of the above and in consideration of the systemic challenges posed by the PETRA System, the Committee recommends the following:

- *Councils should make adequate budgetary provisions in their annual budget proposals for the procurement of additional equipment in the event of donor fatigue; and*
- *the Ministry of Finance should cease payments to the PETRA Service Provider and all Local Councils must complete full migration to the PFM SMART System by the end of the first quarter of 2026;*
- *adequate trainings should be provided to the users of the PFM Smart System, so that they can effectively manage Councils' funds, and ensure transparency and accountability; and*
- *a maintenance must be constituted with adequate training on how to detect resolve faults in a timely manner.*

⇒ **Arbitrary Transfer of Local Councils' Core Staff**

The Committee noted from its engagements with Councils' officials that majority of the Chief Administrators, Accounting and Procurement Officers, who were in post when most of the transactions took place, were found to have been transferred to other Councils during the audit exercise as well as the Committee's follow-up visit. These uncoordinated and frequent transfers of Councils' core staff by the Local Government Service Commission affected the work of ASSL and PAC, as over **80%** of the transferred staff failed to prepare handover notes. It was noted that the transfers were immediate and there was not enough time for them to prepare comprehensive handover notes for their successors. The Committee concluded that uncoordinated and frequent transfers could negatively impact employee productivity and disrupt workflow.

In view of the above, the Committee hereby recommends that:

- (i) the Local Government Service Commission should review its Staff Transfer Policy with a view to ensuring that the scheduled staff to be transferred prepare their handover notes within a reasonable timeframe in order to ensure continuity and minimise disruption of workflow;*
- (ii) the Commission should also ensure that before a particular staff member is transferred to another Council, a copy of the handing over notes be sent to them [the Commission] for verification within thirty days; and*
- (iii) The Local Government Service Commission should take disciplinary actions against erring officials who fail to prepare handing over notes or comply with the Commission's directives.*

⇒ **Donation of Financial and Material Resources to Devolved Sectors**

The Committee noted during discussions with Core Staff of Local Councils that numerous devolved sectors have been receiving donations and financial supports from development partners without involving Local Councils in the process. This practice has led to significant accountability issues, as auditors commonly highlight audit queries pertaining to these devolved sectors under the supervision of Local Councils. Consequently, this situation has caused unwarranted embarrassment for the Local Councils concerning the proper management and accountability of the donated resources to these sectors.

In light of the discussed matter, the Committee emphasised the importance of compliance among Councils regarding the handling of donated items and resources. It specifically recommended that Councils implement formal reminders to all heads of devolved sectors to ensure that such items are properly reported to the Chief Administrators. The Committee has indicated that failure to comply with this directive will result in stringent actions being taken against the responsible parties.

⇒ **Insufficient Data on Councils' Revenue Streams/Sources**

During the review of the 2023 audit report, the Committee observed that Local Councils did not maintain comprehensive database of their revenue streams/sources; and as a result, their revenue projections were unrealistic due to the absence of reliable and inclusive data on revenue sources.

In this regard, the Committee recommends that Local Councils should develop comprehensive database that accurately track all revenue streams and property. This database should include detailed information about local businesses and services within their localities. By using this data to inform revenue projections, Councils can develop more realistic and scientifically based financial forecasts that will help Councils to improve their revenue mobilisation drive.

⇒ **Statutory Deductions Not Paid**

The Committee discovered that Local Councils failed to comply with Section 116 of the Income Tax Act, 2000 and Section 25 of the NASSIT Act, 2001, in respect of deductions and remittances of withholding taxes and NASSIT contributions. In some instances, Councils deducted, but did not remit them to the NRA or NASSIT.

The Committee recommends that Local Councils take immediate actions to ensure compliance with Section 116 of the Income Tax Act, 2000 and Section 25 of the NASSIT Act of 2001 regarding deductions and remittances of withholding taxes and NASSIT contributions. In future, Councils should ensure that payments of statutory deductions should be made in accordance with the existing laws in order to avoid the risk of penalty charges.

⇒ **Lack of Legal Advisers in the Local Councils**

The Committee observed that most Local Councils did not retain lawyers to offer legal services when facing legal challenges. The Committee emphasised the importance of having lawyers on retainer to streamline legal procedures in a cost-efficient manner. The Committee noted that without lawyers on retainer, Councils are susceptible to delays in finding and vetting lawyers, especially issues that demand urgency. The Committee concluded that lawyers on retainer could offer legal advice to Councils before entering into any contract with Contractors/Suppliers/Service Providers.

In that regard, the Committee recommends that Councils' Management Teams expedite the recruitment of lawyers on retainer who will represent them in the event litigation issues arise.

⇒ **Ineffective Internal Audit Function**

During its engagements with Local Councils, the Committee observed the following:

- the Internal Audit Units in most Local Councils were found to be ineffective in executing their audit functions. This was attributed to the failure of some CAs to ensure conducive working environments through the provision of the required documents and logistics to aid the work of the Internal Auditors.
- some CAs have not been on speaking terms with their Internal Auditors, thereby denying them access to vital information that aid their work;
- the various Audit Committees in the respective Local Councils were not effective to properly monitor the work of those Units;
- there were instances of lethargy, inefficiency and ineptitude on the part of the Internal Auditors to produce quarterly internal audit reports; and
- most internal audit units were grossly understaffed with only one auditor.

In view of the above, the Committee recommends the following:

- (i) *the CAs should capacitate the internal audit units in order to enable them to undertake audit exercises consistently and free from harassment, threats or intimidation from superiors;*
- (ii) *the CAs should provide all documents requested by the Internal Auditors, and accept the fact that Internal Auditors are promoters of prudent financial management systems and ensure transparency and accountability;*
- (iii) *the Independent Audit Committees, charged with the responsibility of approving the Units' Work Plans and monitoring the implementation of all internal audit recommendations, should be overhauled or reconstituted to effectively aid the work of the internal auditors;*
- (iv) *going forward, internal auditors should produce their quarterly reports in line with Section 91[2] of the Local Government Act, 2022 and submit the same to Councils. Issues raised in the internal audit reports should be adequately addressed.*

⇒ **Poor Management of Financial Records**

Another key observation of the Committee was poor management of Councils' financial and other records. That was clearly demonstrated by their failure to prepare bank reconciliation statements and erroneous Cash Book records. Most of the accountable records were reported missing or misfiled at the time of the audit exercise. The Committee noted that the absence of a proper records management system could lead to operational inefficiencies and poor decision-making process.

A proper record management ensures increased efficiency, time saving, improved decision making, quick retrieval and regulatory compliance, and therefore recommends that Councils should make sure that their Procurement and Accounting Departments are strengthened, with a view to promoting proper and up-to-date financial records.

⇒ **Fixed Assets not Verified**

The Committee observed that the auditors could not carry out proper verification of the physical existence of some fixed assets as they were not made available for confirmation. However, the Committee commended Councils for maintaining fixed assets registers and for proper management of their assets.

The Committee recommends that all fixed assets should be presented to the audit teams for verification, and Councils' assets should be properly coded in the registers to ensure that they are easily identifiable and to prevent them from being carted away. Council Managements are also encouraged to introduce computerised fixed assets modules that automatically perform all calculations and facilitate assets tracking from date of acquisition to depreciation and disposal.

⇒ **Own-Source Revenue Below Targets**

The Committee identified several factors that contributed to the poor collection of revenue during its review of the 2023 audit report. These include a lack of commitment by management to collect the required revenue, concessions granted to mining companies, ineffective Cadastral System, ongoing disputes between Local Councils and Chiefdom authorities over the control of certain revenue streams/sources, unrealistic revenue projections and absence of comprehensive data on revenue streams and failure by the central government to pay property rates. The Committee expressed serious concerns over the practice of signing memoranda with Chiefdom Authorities for revenue mobilisation and sharing, as such agreements contradict existing laws enacted by Parliament.

Consequent upon the above, the Committee recommends the following:

- *The Cadastral System should be replaced with the MOPTAX Software, which offers user-friendly features, including mobile access for assessing and paying property taxes, thereby enhancing revenue generation for Local Councils.*
- *Local Councils should conduct comprehensive analyses and forecasts to establish more realistic revenue projections, taking into account historical data and current economic conditions.*
- *the Ministry of Local Government and Community Affairs should develop a framework for resolving disputes between Local Councils and Chiefdom authorities over revenue generation and sharing of precepts, taking into account Section 105 of the PFM Act, 2016, Section 65 of the Local Government Act, 2022 and Regulation 244 and 246 of the PFM Regulations, 2018. Regular dialogue and collaboration should be encouraged to promote shared objectives and prevent revenue loss.*
- *Councils must establish and maintain a detailed database of all property within their localities. This database should include information on property ownership, valuation, and tax status to enhance revenue collection and should be regularly updated.*
- *Councilors be incorporated in the valuation and assessment of properties, leveraging on their knowledge of the communities; and*
- *the Minister of Local Government and Community Affairs is urged to present or table in Parliament the Statutory Regulations that govern the Local Government Act, 2022, as stipulated in Section 23 of the Act.*

⇒ **Late or Non-Submission of Accountable Documents**

Despite repeated requests for the timely submission of documents to the auditors during the audit process, the Committee observed significant delays in providing the necessary documents for verification by Local Councils.

To address the issue of late or non-submission of accountable documents, the Committee recommends the following measures:

- *Local Councils must adhere to deadlines and submit all necessary documents promptly to prevent the possibility of incurring penalty charges as outlined in Section 89 of the Local Government Act, 2022, and Section 93 of the PFM Act, 2016;*
- *Local Councils need to establish a tracking system to keep tabs on the progress of document submissions. This system can assist in recognising delays promptly and guarantee timely follow-ups with accountable parties;*
- *Councils should appoint particular individuals or teams within each Council to take responsibility for collecting and submitting the necessary documents. Defined roles and responsibilities will enhance accountability and simplify the process;*
- *the Ministry of Local Government and Community Affairs should create a framework of penalties for people who do not adhere to submission timelines. This might encompass evaluations of performance or various forms of accountability measures; and*
- *Councils should perform regular assessments of the audit procedures to pinpoint obstacles or opportunities for enhancement. Integrating inputs from auditors can improve the effectiveness of document submission.*

⇒ **Decrease in Local Councils' Annual Allocations**

The Committee observed from the review of the audit report and its discussions with Local Councils that allocations approved by Parliament were not completely disbursed by the Ministry of Finance to the Councils, even though rollovers of previous year's allocations were reported to have been disbursed. This had far-reaching impacts on the overall performance of the Councils, such as a decline in the provision of essential services, stifled local developments, wastes managements and road maintenance.

The Committee noted that providing adequate funds to Local Councils is essential for effective local governance, sustainable community developments and enhanced service delivery, and therefore recommends that the Ministry of Finance should ensure timely disbursements of funds appropriated by Parliament. This will enable Councils to deliver on their mandate and there will be increase in public trust and confidence.

⇒ **Property Rates Not Paid to Local Councils**

During the review process of the AG's Report, the Committee observed that the Central Government failed to pay property rates to Local Councils. This had negative impacts on service delivery and Councils revenue performance. The Committee emphasised the need to pay property rates, noting that it is a major source of Councils' revenue used to provide essential public services, such as roads, parks, and wastes collection.

In this regard, the Committee recommends that the Central Government honours its obligation, so that the Councils can continue to provide basic services in their localities.

3.0 ACHIEVEMENTS OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

In reviewing the 2023 Auditor General's Report on Local Councils, the Public Accounts Committee (PAC) advanced accountability, transparency, and improved financial management at the local government level. Key achievements include:

3.1 Strengthened Oversight of Local Councils' Financial Management

The Committee conducted a comprehensive review of audit findings relating to District, City, and Municipal Councils, with particular focus on procurement compliance, revenue mobilisation, expenditure control, statutory deductions, payroll management, and asset management. Through targeted hearings and engagements, the PAC ensured that Council Managements accounted for identified irregularities and provided documentary evidence in support of their responses.

3.2 Decentralised Hearings and Improved Evidence Gathering

The PAC adopted a decentralised approach to hearings, conducting two hearings at Parliament for Freetown City Council and Western Area Rural District Council, while holding hearings for other Councils at regional and district levels. This approach enhanced participation, enabled on-site verification of issues, and improved the quality and timeliness of evidence submitted by Councils.

3.3 Identification of Systemic and Recurring Weaknesses

The Committee's inquiry brought to light persistent and cross-cutting challenges affecting Local Councils, including weak own-source revenue systems, ineffective internal audit functions, non-remittance of statutory deductions, non-compliance with procurement thresholds, poor records and asset management, and limited implementation of previous audit and PAC recommendations. These findings provided Parliament with a clearer understanding of structural weaknesses within local governance.

3.4 Resolution and Clarification of Audit Queries

Through hearings and document reviews, the PAC facilitated the resolution, clarification, and partial closure of several audit queries, while clearly identifying outstanding matters requiring corrective action, sanctions, or further follow-up. This process strengthened accountability and reinforced the obligation of Councils to respond to audit findings.

3.5 Reinforcement of Follow-Up and Monitoring of Recommendations

The Committee reaffirmed its commitment to monitoring the implementation of its recommendations, emphasising compliance timelines and the responsibility of Council Managements and oversight institutions to address unresolved audit issues. This strengthened the PAC's follow-up role as a key accountability mechanism within Parliament.

3.6 Contribution to Improved Governance at the Local Level

Beyond individual audit queries, the PAC's work contributed to improved awareness of public financial management obligations among Local Councils, reinforced adherence to procurement and financial regulations, and supported broader efforts to enhance fiscal discipline and service delivery at the local government level.

3.7 Financial Recoveries

As part of its consideration of the Auditor-General's Report on Local Councils for the 2023 Financial Year, the Public Accounts Committee (PAC) achieved tangible financial outcomes through the recovery of outstanding statutory obligations. Notably, the Committee facilitated recoveries from Freetown City Council amounting to a **total of NLe 338,017.65**, comprising NLe 274,179.00 in Pay-As-You-Earn (PAYE) and NLe 63,838.65 in Withholding Tax and staff retirement benefits, all paid to the National Revenue Authority (NRA). These recoveries were realised following PAC hearings and engagements, which compelled Council Management to settle arrears that had remained outstanding. The recoveries underscore the Committee's effectiveness in translating audit findings into concrete fiscal outcomes, reinforcing compliance with statutory obligations and strengthening revenue accountability at the local government level.

3.8 Convening of a National Dialogue on Local Councils' Own-Source Revenue Mobilisation

As part of its broader oversight and reform agenda, the PAC successfully organised a **National Dialogue on Enhancement and Dynamic Shift in Councils' Own-Source Revenue Drive**, held on **8th December 2025 at the Freetown City Council Auditorium**. The Dialogue brought together key stakeholders from Local Councils, Chiefdom Authorities, MDAs, development partners, civil society organisations, and traditional authorities to deliberate on the legal, fiscal, administrative, and operational challenges affecting own-source revenue mobilisation. Through technical sessions, expert presentations, and panel discussions, the engagement fostered consensus on practical reforms, strengthened intergovernmental coordination, and reinforced accountability and transparency in local revenue governance, **culminating in a Resolution unanimously adopted by representatives of the key stakeholders present (see attached), to guide future action.**

4.0 SUMMARY OF AUDIT ISSUES RESOLUTION STATUS FOR LOCAL COUNCILS

The Public Accounts Committee (PAC) conducted public hearings on the Auditor-General's Reports on Local Councils for the 2023 financial year, with the objective of examining audit findings, addressing identified financial irregularities, and assessing governance and compliance issues. Through these hearings, Council Managements were afforded the opportunity to provide explanations and submit documentary evidence in response to audit queries. The resolution status of the audit issues considered by the PAC, as contained in the Auditor-General's Report for FY 2023, is summarised in the table below.

Audit Status	Local Councils
Resolved Issues	34
Unresolved Issues	44
Partially Resolved	3
Total	81

Table 1: *Status of 2023 Audit Issues Resolution for Local Councils*

As shown in the table above, the resolution status of audit issues arising from the 2023 Auditor-General's Report on Local Councils, as considered by the Public Accounts Committee (PAC), is summarised. Out of a total of **81 audit issues, 34 issues (42.0%)** were fully resolved through PAC hearings, documentary submissions, and clarifications provided by Council Managements. This outcome reflects a moderate level of compliance and responsiveness by Councils to audit findings and PAC interventions.

However, a significant proportion of issues, **44 audit issues (54.3%)**, remain **unresolved**. These outstanding matters largely relate to persistent weaknesses in own-source revenue mobilisation, internal control systems, internal audit effectiveness, asset management, procurement compliance, and non-remittance of statutory deductions. The prevalence of unresolved issues indicates systemic and recurring challenges within Local Councils that require sustained corrective action and strengthened oversight.

In addition, **3 audit issues (3.7%)** were classified as **partially resolved**, where Councils demonstrated some level of compliance but had not fully met statutory or procedural requirements. These issues require continued monitoring to ensure full resolution and prevent regression.

Overall, the analysis underscores the critical need for enhanced follow-up mechanisms, stricter enforcement of PAC recommendations, and improved coordination among Councils, oversight institutions, and relevant MDAs. Addressing the high volume of

unresolved issues remains essential to strengthening public financial management, accountability, and service delivery at the local government level.

The resolution status of the 2023 audit issues is further illustrated in the pie chart below, providing a concise visual summary to support the Committee’s deliberations.

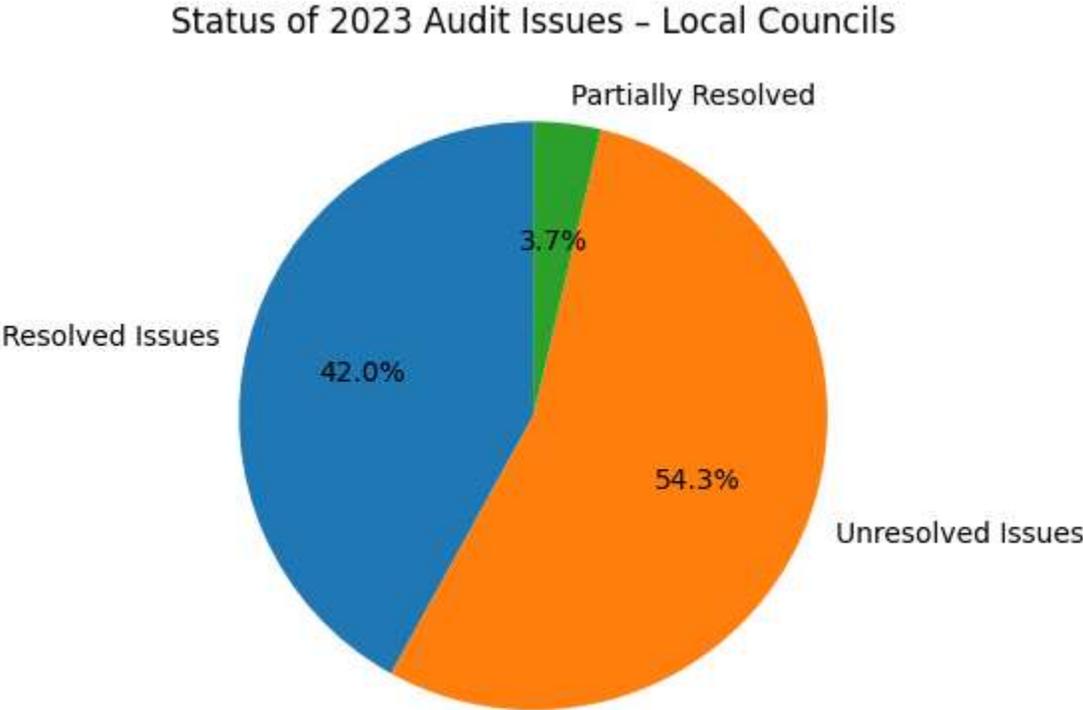


Figure 1: *Status of 2023 Audit Issues Resolution for Local Councils*

5.0 UNRESOLVED ISSUES: COUNCIL-SPECIFIC OBSERVATIONS AND RECOMMENDATIONS

5.1. Freetown City Council

Revenue Not Collected

The audit report revealed that the **NLe1,198,468** was owed to Council by 90 occupants of landed property and in addition, **NLe316,850** was owed by institutions erecting billboards and banners for the FY2023. The report indicated that the Council failed to collect these amounts from the defaulters.

The Committee's Observation[s] and Recommendation[s]

The Committee's discussions with Management revealed the following:

- Council was unable to trace most of the documents as they were burnt during the inferno that engulfed the building;
- Regarding the leasing of landed property along the right-of-way, Council encountered several issues with the Ministry of Lands and SLRA because these two institutions are also leasing landed property along the right of way. In fact, most of the property along the right of way have been demolished by SLRA;
- Almost all the lease agreements between Council and occupants of landed property have expired. However, Council has recovered over **NLe1m** from those occupants through the ACC; and
- The people or the occupants refused to pay because they did not feel secured as SLRA could demolish the structures at any time.

The Committee advised Council to engage the Ministry of Lands and SLRA for a potential harmonisation through the creation of a sharing ratio, while urging Management to expedite the collection of the unpaid revenue from landed property occupants and those who erected billboards and banners during the period under review. In order to identify which landed property is owned and those under the authority of the Ministry of Lands and SLRA, the Council was also urged to conduct a thorough inspection and evaluation of every landed property along the right-of-way.

Revenue not Banked

The audit report disclosed that revenue from billboards advertisement totalling **NLe50,000** and conference room booking amounting to **NLe16,000** were not deposited in the Council's bank accounts, and no document of utilisation was made available for audit inspection. According to the report, these funds could have been misappropriated, leading to a loss of public funds.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that all revenue relating to billboards and banners were covered by the Cheque.

The Committee recommended that Management should attach the cheque to the breakdown and submit same to the auditors for verification.

Inadequate Control over Fixed Assets

The audit report revealed the following:

- 83 assets, such as office furniture and equipment, motorbikes, tricycles and laptop computers, were not seen at the stated locations or traced to other offices;
- the Estate Officer failed to provide ownership documents of 62 assets purported to be the freehold property of Council; and
- Council leased out 17 landed to various individuals and businesses within the municipality, but Lease Agreements between the Council and the lessees were not submitted for audit verification.

The Committee's Observation[s] and Recommendation[s]

Management disclosed the following:

- Council has an updated assets register, and all the assets have been coded with indelible ink to ensure inventory control and financial reporting; and
- Council's Estate Officer had been working with Council's attorney in order to expedite the availability of title deeds and lease agreements of landed property, as most of the documents could not be traced due to the fire incident.

In view of the above, the Committee recommended that Council ceases to lease or acquire property without some form of lease agreements or title deeds to show ownership. The Committee further advised Management to act with urgency and ensure that the documents be submitted to the auditors for verification before the publication of the 2024 Audit Report. The auditors were also instructed to verify the existence of the 83 assets that were not initially presented for confirmation.

Payments to Various Suppliers/Contractors without Evidence of work Done

The audit report indicated that transactions worth **NLe526,986** for goods, works contracts and services were undertaken by FCC, but there was no evidence to show that the transactions were completely executed. The report also mentioned that the duration for these contracts had elapsed and full payments had already been made by the Council.

The Committee's Observation[s] and Recommendation[s]

The Committee noted from Management that:

- the payments were rolled over to 2023 due to financial constraints in 2022 and those payments were made after the Mayor and the CA have approved with an Interim Payment Certificates [IPCs] requests from the Engineer;
- all contracts relating to that period have been completely executed, but most of the works were not properly done as stated in Bills of Quantities [BoQs].

The Committee recommended that the Council should compel all the engineers to correct the defects identified by the auditors and the auditors should also follow-up on this audit query.

5.2 Western Area Rural District Council

Inadequate Control over Fixed Assets

The audit report stated that:

- several assets recorded in the assets register, such as furniture, air conditioners, and computers valued at **NLe113,700** were without unique identification codes; and
- in 2023, Council procured assets such as motorbikes, laptops, and televisions valued at **NLe164,590**, but the said assets were neither recorded in the assets register nor were they made available for physical verification.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from the review of the assets register that it has been updated and all other assets have been coded. It was also noted that the tricycle was donated to No. 2 River Beach by Council's Chairman, the printers were assigned to various locations, but the auditors were unable to visit the locations where those assets were installed/deployed.

The Committee advised the audit team to verify the assets in every location they [assets] must have been deployed in order to ascertain their status and existence. Management was requested to ensure that in future, assets should be properly coded and recorded in the assets register as soon as they are acquired.

Revenue Not Accounted for

The audit report mentioned that out of revenue totalling **NLe43,027** from business licences, records of banking amounting to **NLe20,287** were submitted, leaving a balance of **NLe22,740**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that the revenue collector was dismissed for his failure to properly account for the outstanding amount of **NLe22,200**.

The Committee noted Management's disciplinary actions against the Officer, but recommended that:

- ***the NLe22,200 outstanding amount should be deducted from the Officer's terminal benefits and paid into Council's Revenue Account;***
- ***revenue collectors who commit similar crime should not only refund, but should also be prosecuted;***
- ***Council should put in place proper internal controls systems, such as job segmentation, automation of collection processes and ensuring effective internal audit function to checkmate the activities of revenue collectors and those recording transactions; and***
- ***the audit team should follow-up on this issue in their next audit exercise to ascertain whether the said amount has been refunded.***

Ineffective Solid Wastes Management

The audit report revealed that:

- the landfill site at Waterloo had not been demarcated and given a gate, and a store to keep cleaning tools and personal protective equipment;
- Council did not have waste deposits and collection transit points within the district, especially in populated areas like Goderich, Funkia, Ogoo Farm, Tokeh, and Tombo to facilitate easy and orderly movement of various forms of wastes to the landfill site at Waterloo, or Bormeh at Kingtom; and
- individuals and staff of Council handling wastes were not provided with Personal Protective Equipment [PPEs], such as gloves, face masks, goggles and boots.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management submission that:

- Management provided PPEs to those managing or collecting wastes, but whenever supplies were made, within a month they would report that the PPEs have spoiled and most of workers were not using them. That was the situation the auditors met at the time of their visit;
- providing land for the construction of dumpsites at certain locations had been a perennial problem because the Ministry of Lands has been indifferent to any request made by the Council; and
- New communities within the district are without dumpsites because the Ministry of Lands failed to make provision for such purpose.

The Committee noted Management's submissions, but stated that some of the problems confronting Local Councils are beyond their control. The Committee however revealed that the new Country Planning Act, 2022 would address some of these challenges.

While the PAC promised involvement in engaging the Ministry of Lands for the provision of land for the construction of dumpsites and stores where the tools will be kept, Management was advised to continue reminding the Ministry regarding this issue and to also ensure that those handling wastes be properly monitored regarding the use of Personal Protective Equipment.

Non-Payment of Statutory Deductions

The audit report revealed that statutory deductions totalling **NLe150,978.00** [NASSIT = **NLe107,496.00** and PAYE = **NLe43,482.00**] were not paid to NRA and NASSIT.

The Committee's Observation[s] and Recommendation[s]

From the review of receipts submitted, the Committee noted the following:

- ❖ **NLe43,482.00** in respect of PAYE taxes has been fully settled; and
- ❖ of the **NLe107,496.00** in respect of NASSIT contributions, a payment plan was submitted and observed that **NLe63,000** has been paid for a period of two months to NASSIT, leaving a balance of **NLe44,496.00**.

While declaring the issue relating to the PAYE taxes closed and therefore recommends its deletion from the audit report, Management was cautioned to strictly follow the terms and conditions of the Payment Plan. Management was also advised that in future all statutory deductions should be paid in line with Section 25 of the NASSIT Act, 2001.

5.3 Kenema District Council

Own Source Revenue below Budgeted Figure

The audit report mentioned that out of a total budgeted revenue of **NLe2,233,971**, only **NLe1,200,347** was generated, registering a shortfall of **NLe1,033,624** [46.27%].

The Committee's Observation[s] and Recommendation[s]

Questioned why the huge shortfall in revenue target, Management attributed same to the following factors:

- frequent breakdown of the CADASTRE System [a system meant to ensure effectiveness and efficiency in revenue generation] and lack of comprehensive database of Council's revenue streams;
- rugged terrains and lack of sufficient manpower to collect revenue in the respective Chiefdoms; and

- Chiefdom Councils were collecting revenue from areas meant for Kenema District Council and the refusal of mining companies, such as the GM and Sierra Mining Companies to pay to the Council.

During the Committee's stakeholders' engagements with Mayors, Chairpersons, CAs, FOs, Fiscal Decentralisation Division [FDD], Local Government Service Commission, Public Financial Management Reform Division [PFMRD], Ministry of Local Government and other players in the local governance system, the Committee observed the following:

- even though the European Union intervened to ensure the efficiency and effectiveness of the CADASTRE System, so that it captures all Council's property, they could not still meet their revenue target;
- Chiefdoms in the district have taken control of tax collection process, resulting in a sharp decline in Council's revenue collection drive; and
- the GM Mining Company had exploration license, which expired in 2024, but working towards obtaining a mining license to commence mining activities instead of exploration. The Company paid surface rent to the landowners during its exploration period.

The Committee recommended the following:

- ***Management should make provision in their annual budget to develop a comprehensive database of all revenue streams and update regularly as and when new revenue sources are identified;***
- ***Management should also make provision in their annual budget for the recruitment and training of revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***instead of just signing MoUs with Chiefdom Councils, Management should engage the Section Chiefs, Paramount Chiefs and Tribal Authorities as their involvements will enhance revenue mobilisation for the Council.***

Ineffective PETRA Accounting Software

The audit report disclosed that:

- much has not been done on the PETRA Accounting System in the Local Councils, despite audit recommendations;
- the System in most Councils is not fully functional and user-friendly. Mostly, only the Accountant and/or the FO access the System when the government pays an annual license fee for at most 10 users, even though eight of them are not making use of the PETRA system;

- the system is also not networked to allow connectivity for the other users, and the PETRA application is installed in one laptop computer that is used at various intervals by the Accountant and/or the FO; and
- the PETRA database has to be sent to the PFMRD in the Ministry of Finance for onward submission to the developers for corrective action due to issues with error rectification, troubleshooting, roll forward of balances, and transactions awaiting clearance. There is a chance that this accounting system's internal controls over account preparation and financial recording will not be followed.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from its discussions with Management that the system is still faulty and that was why only the FO and the Accountant had direct access to it, instead of other users, as stated in the AG's report.

During its engagement with stakeholders in local governance system, particularly the PFMRD that has direct link to the System, it was stated that:

- infrastructural assessments have been conducted in all Local Councils for the introduction of the PFM SMART, replacing the PETRA System;
- equipment such as Solar, computers, Servers and other gadgets have been procured and installation has commenced;
- complete rollout of the PFM SMART Accounting Software will be done at the end of the 1st Quarter of 2026 and training for the users of the System has commenced; and
- the PETRA System does not record transactions in real time because it is an Expo System and its license is concurrent, which allows a number of users to access it, instead of paying for every user.

The Committee revealed that the PETRA System lacked transparency as the Server could no longer accommodate important users like Mayors, Chairpersons, CAs and Internal Auditors who were supposed to supervise trail of transactions or monitor the operations of Council were out of the System.

In consideration of the fact that there is now an intention to migrate from the PETRA System to the PFM SMART, the Committee declared all issues relating to the PETRA System closed. However, in anticipation of the introduction of the PFM SMART in January 2026, the Committee recommends the following

- ***PFMRD and other stakeholders should ensure the sustainability of the PFM SMART by deploying maintenance teams across the regions for early detection and correction of faults;***
- ***Council should make adequate budgetary provision for the procurement of additional tools.***

5.4 Kailahun District Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe1,607,355**, only **NLe773,239** was generated, recording a shortfall of **NLe834,116 [51.89%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management's submission that:

- the CADASTRE System, which is meant to ensure effectiveness and efficiency in revenue mobilisation, was faulty, but it has been reactivated;
- Council lacked comprehensive database of their revenue sources and this resulted in setting unrealistic and unachievable target;
- Council lacked sufficient revenue collectors to go to unnavigable areas and also certain Paramount Chiefs prevented Council's revenue collectors to collect revenue from areas, resulting decrease in revenue.

The Committee recommended the following:

- *Management should make provision in their annual budget to develop a comprehensive database of all revenue streams and update regularly as and when new revenue sources are indemnified;*
- *Management should also make provision in their annual budget for the recruitment and training of revenue collectors;*
- *Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and*
- *instead of just signing MoUs with Chiefdom Councils, Management should engage the Section Chiefs, Paramount Chiefs and Tribal Authorities as their involvements could increase Council's revenue.*

5.5 Kenema City Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe7,957,749**, only **NLe3,888,573** was generated, registering a shortfall of **NLe4,069,176 [51.13%]**.

The Committee's Observation[s] and Recommendation[s]

Asked to provide reasons for the shortfall in revenue collection, Management stated that Council lacked comprehensive database of their revenue sources. Owing to that reason and the fact that some revenue streams were under assessed, Management used 2023 as the period for the introduction of reforms by conducting a scientific assessment of all revenue sources in order to determine their viability and performance.

Management further disclosed that some business entities, including the central government, owed Council huge sums of money and thus undermined Council's effort to meet their target.

The Committee however dismissed the argument that Council's failure to achieve its target was as a result of the scientific assessment of all revenue streams undertaken that year, stating that before the said scientific assessment, Council exceed their targets in the previous years. The Committee concluded that conducting an assessment should not, in any way, affect Council to achieve its target.

In view of the above, the Committee recommends the following:

- ***Management should continue to identify potential revenue sources and update their database regularly so as to achieve their target;***
- ***Management should also make provision in their annual budget for the recruitment and training of revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***debts owed to Council should be collected in order to close the shortfall, otherwise PAC will garnish the accounts of business entities.***

5.6 Bo District Council

Ineffective PETRA Accounting Software

The audit report disclosed that:

- much has not been done on the PETRA Accounting System in the Local Councils, despite their repeated recommendations;
- the System in most Councils is not fully functional and user-friendly. Mostly, only the Accountant and/or the FO access the System when the government pays an annual license fee for at most 10 users, even though eight of them are not making use of the PETRA system;
- the system is also not networked to allow connectivity for the other users, and the PETRA application is installed in one laptop computer that is used at various intervals by the Accountant and/or the FO; and
- the PETRA database has to be sent to the PFMRD in the Ministry of Finance for onward submission to the developers for corrective action due to issues with error rectification, troubleshooting, roll forward of balances, and transactions awaiting clearance. There is a chance that this accounting system's internal controls over account preparation and financial recording will not be followed.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from its discussions with Management that the Sever is still faulty and nobody has direct access to the system. During its engagement with stakeholders in the local governance system, particularly the PFMRD that has direct link to the System, it was stated that:

- infrastructural assessments have been conducted in all Local Councils for the introduction of the PFM SMART, replacing the PETRA System;
- equipment such as Solar, computers, Servers and other gadgets have been procured and installation has commenced;
- complete rollout of the PFM SMART Accounting Software will be done at the end of the 1st Quarter of 2026 and training for the users of the System has commenced; and
- the PETRA System does not record transactions in real time because it is an Expo System and its license is concurrent, which allows a number of users to access it, instead of paying for every user.

The Committee revealed that the PETRA System lacked transparency as the Server could no longer accommodate important users like Mayors, Chairpersons, CAs and Internal Auditors who were supposed to supervise trail of transactions or monitor the operations of Council were out of the System.

In consideration of the fact that there is now an intention to migrate from the PETRA System to the PFM SMART, the Committee declared all issues relating to the PETRA System closed. However, in anticipation of the introduction of the PFM SMART in January 2026, the Committee recommends the following:

- ***the PFMRD and other stakeholders should ensure the sustainability of the PFM SMART by deploying maintenance teams across the regions for early detection and correction of faults; and***
- ***Council should make adequate budgetary provision for the procurement of additional tools.***

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe1,855,740**, only **NLe920,236** was generated, registering a shortfall of **NLe935,504[50.41%]**.

The Committee's Observation[s] and Recommendation[s]

Questioned why the underperformance in revenue mobilisation, Management disclosed that the shortfall was as a result of the following factors:

- Individuals and business entities used the 2023 General Election as subterfuge to invade tax;

- Council lacked comprehensive data of revenue streams; and as a result, they did not know the ones that were performing and those that were not; and
- the central government failed to pay its property rates and thus undermined Council's effort to meet target.

The Committee however dispelled the argument that one of the reasons for Council's abysmal performance in revenue mobilisation was as a result of the 2023 General Elections. The Committee stated that the elections had nothing to do with revenue mobilisation because the same elections were conducted in Port Loko and Bonthe Districts, but they even exceeded their targets. It was concluded that Council encouraged individuals and business entities to be delinquent in their tax obligations.

The Committee recommends the following:

- ***Management should continue to identify potential revenue sources and update their database regularly, to enable them achieve target;***
- ***Management should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***debts owed to Council should be collected in order to close the shortfall, otherwise PAC will garnish the accounts of business entities.***

Ineffective Internal Audit Function

Regarding the internal audit function, the audit report revealed the following:

- a risk management and fraud policy not in existence;
- planned audits not fully executed and reported as stipulated in Section 91[2] of the Local Government Act, 2022;
- reports issued to Management were not always responded to;
- the Internal Audit Committee was not functional;
- the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee;
- audit working paper files were not maintained in a standard format; and
- the Internal Audit Unit was understaffed, as the internal auditor is the only staff in the Unit.

The Committee's Observation[s] and Recommendation[s]

Management informed the Committee that a new internal auditor had been assigned to Council and he had commenced the review process of all issues raised in the audit report and those mentioned in the erstwhile internal auditor.

The Committee emphasised the critical role of the internal auditor, stating that effective internal audit function promotes transparency and accountability, improves operational

efficiency, assesses controls and ensures compliance with the laws, enhances service delivery, and increases public trust in the work of Local Councils.

The Committee recommended the following:

- ***Management should expedite the development of a risk management and fraud policy that clearly indicates how Council identifies, assesses and mitigates the risk of fraud to protect its assets;***
- ***the internal auditor should perform his/her functions in line with Section 91[2] of the Local Government Act, 2022;***
- ***internal audit reports must be submitted to the Audit Committee for the attention of Management and issues raised therein must be adequately responded to and take appropriate action to address them;***
- ***Management should ensure that the internal auditor and the Audit Committee are made effective and efficient in the performance of their duties by providing material and human resources.***

5.7 Pujehun District Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe2,000,982**, only **NLe1,686,518** was generated, recording a shortfall of **NLe314,464 [15.72%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that even though Council did not meet target, but their performance was commendable.

The Committee recommends the following:

- ***Management should continue to identify potential revenue sources that will assist in achieving their target;***
- ***Management should also make provision in their annual budget for the recruitment and training of more revenue collectors; and***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources.***

Ineffective Internal Audit Function

Concerning the internal audit function, the audit report revealed the following:

- a risk management and fraud policy not in existence;
- planned audits not fully executed and reported as stipulated in Section 91[2] of the Local Government Act, 2022;
- reports issued to Management were not always responded to;
- the Internal Audit Committee was not functional;

- the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee;
- audit working paper files were not maintained in a standard format; and
- the Internal Audit Unit was understaffed, as the internal auditor is the only staff in the Unit.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management's submissions that the currently internal auditor was ineffective and inefficient to discharge his audit functions. Management however linked the internal auditor's ineffectuality to his physical and mental health. Management concluded that several letters were sent to the Local Government Service Commission for his replacement, but to avail.

The Committee emphasised the critical role of the internal auditor, stating that effective internal audit function promotes transparency and accountability, improves operational efficiency, assesses controls and ensures compliance with the laws, enhances service delivery, and increases public trust in the work of Local Councils.

The Committee recommended the following:

- ***Management should officially remind the Local Government Service Commission for immediate withdrawal and replacement of the current internal auditor, so that the mandate mentioned in Section 91[2] of the Local Government Act, 2022 is fully executed;***
- ***Management should expedite the development of a risk management and fraud policy that clearly indicates how Council identifies, assesses and mitigates the risk of fraud to protect its assets;***
- ***internal audit reports must be submitted to the Audit Committee for the attention of Management and issues raised therein must be adequately responded to and take appropriate action to address them;***
- ***Management should ensure that the internal auditor and the Audit Committee are made effective and efficient in the performance of their duties by providing adequate material and human resources.***

5.8 Bontho Municipal Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe271,400**, only **NLe153,063** was generated, recording a shortfall of **NLe118,337 [43.60%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that Bonthe Municipal Council had the lowest revenue projection, compared to other Councils. It was noted that the Municipality's main source of revenue is the ferry, adding that the fishing boats could have been another viable source, but they are only paying to Maritime.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue streams in order to maximise revenue collection;***
- ***they should set achievable revenue projections, which should be based on available data of all revenue sources;***
- ***Management should ensure massive sensitisation of residents within the Municipal Council on the need to pay tax; and***
- ***Management should request, from Maritime, a comprehensive list of registered fishing boats with a view to ensuring that they begin to pay licenses.***

Ineffective Internal Audit Function

Concerning the internal audit function, the audit report revealed the following:

- a risk management and fraud policy not in existence;
- planned audits not fully executed and reported as stipulated in Section 91[2] of the Local Government Act, 2022;
- reports issued to Management were not always responded to;
- the Internal Audit Committee was not functional;
- the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee;
- audit working paper files were not maintained in a standard format; and
- the Internal Audit Unit was understaffed, as the internal auditor is the only staff in the Unit.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management's submissions that the internal auditor has been diligent in the discharge of his audit functions as he presented three internal audit reports. The Committee however discovered that most of the recommendations in those reports have not been completely addressed by Management.

The Committee emphasised the critical role of the internal auditor, stating that effective internal audit function promotes transparency and accountability, improves operational efficiency, assesses controls and ensures compliance with the laws, enhances service delivery, and increases public trust in the work of Local Councils.

The Committee recommended the following:

- ***Management should expedite the development of a risk management and fraud policy that clearly indicates how Council identifies, assesses and mitigates the risk of fraud to protect its assets;***
- ***internal audit reports must be submitted to the Audit Committee for the attention of Management and issues raised therein must be adequately and appropriately addressed; and***
- ***Management should ensure that the internal auditor and the Audit Committee are made effective and efficient in the performance of their duties by providing adequate material and human resources.***

5.9 Moyamba District Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe4,493,631**, only **NLe2,367,416** was generated, registering a shortfall of **NLe2,126,215[47.32%]**.

The Committee's Observation[s] and Recommendation[s]

Questioned about the shortfall in revenue collection, Management disclosed that:

- ❖ ***Council's main source of revenue is mining, but the reduction in mining companies led to the huge shortfall; and***
- ❖ ***the decline in fishing activities and sand mining also affected the Council not meeting its target. Most of the mining companies failed to pay because they claimed to have been granted tax relief or concessions.***

The Committee recommended the following:

- ❖ ***Regarding tax concessions or tax relief, management should write to NMA for confirmation of claims made by mining companies that they were granted tax holidays. If that is not the case, it means they are in breach of the 1991 Constitution of Sierra Leone;***
- ***Management should work towards identifying potential revenue sources and non-performing revenue sources should be monitored effectively in order to maximise revenue collection;***
- ***they should set achievable revenue projections, which should be based on available data of all revenue sources; and***
- ***Management should ensure massive sensitisation of residents within the district on the need to pay tax.***

5.10 Bo City Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe7,310,155**, only **NLe4,240,538** was generated, registering a shortfall of **NLe3,069,617 [41.99%]**.

The Committee's Observation[s] and Recommendation[s]

Questioned about the huge shortfall, Management disclosed that Government owed Council property rates totalling **NLe1,062,000**, and that most business entities are also in arrears to Council. As a control mechanism to minimise leakage or revenue loss, Management now had a teller and single revenue account where all revenue collected are deposited. The resident auditor confirmed that Council had improved tremendously.

The Committee noted Management's efforts, but however expressed grave concern over Council's awful performance, adding that the city has a lot of revenue potentials that could have been exploited to maximise revenue collection.

The Committee recommended the following:

- ***Management should work towards identifying other potential revenue sources and non-performing revenue sources should be monitored effectively in order to maximise revenue collection;***
- ***they should set achievable revenue projections, which should be based on available data of all revenue sources; and***
- ***Management should ensure massive sensitisation of revenue collectors and taxpayers within the city on the need to pay tax.***

Ineffective Internal Audit Function

The audit report revealed the following:

- a risk management and fraud policy not in existence;
- planned audits not fully executed and reported as stipulated in Section 91[2] of the Local Government Act, 2022;
- reports issued to Management were not always responded to;
- the Internal Audit Committee was not functional;
- the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee;
- audit working paper files were not maintained in a standard format; and
- the Internal Audit Unit was understaffed, as the internal auditor is the only staff in the Unit.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management's presentations that the former internal auditor has not been doing his work diligently, but the Audit Committee has been reconstituted. Management expressed optimism that the new internal auditor would

make a positive difference and Management would provide the necessary supports to the internal auditor and the Audit Committee.

The Committee emphasised the critical role of the internal auditor, stating that effective internal audit function promotes transparency and accountability, improves operational efficiency, assesses controls and ensures compliance with the laws, enhances service delivery, and increases public trust in the work of Local Councils.

The Committee recommended the following:

- ***Management should expedite the development of a risk management and fraud policy that clearly indicates how Council identifies, assesses and mitigates the risk of fraud to protect its assets;***
- ***internal audit reports must be submitted to the Audit Committee for the attention of Management and issues raised therein must be adequately and appropriately addressed; and***
- ***Management should ensure that the internal auditor and the Audit Committee are made effective and efficient in the performance of their duties by providing adequate material and human resources.***

5.11 Bontho District Council

Ineffective PETRA Accounting Software

The audit report disclosed that:

- much has not been done on the PETRA Accounting System in the Local Councils, despite their continuous recommendations;
- the System in most Councils is not fully functional and user-friendly. Mostly, only the Accountant and/or the FO access the System when the government pays an annual license fee for at most 10 users, even though eight of them are not making use of the PETRA system;
- the system is also not networked to allow connectivity for the other users, and the PETRA application is installed in one laptop computer that is used at various intervals by the Accountant and/or the FO; and
- the PETRA database has to be sent to the PFMRD in the Ministry of Finance for onward submission to the developers for corrective action due to issues with error rectification, troubleshooting, roll forward of balances, and transactions awaiting clearance. There is a chance that this accounting system's internal controls over account preparation and financial recording will not be followed.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from its discussions with Management that the system was faulty at the time of audit, but corrections have been made by the PFMRD. However,

the resident auditor in the region informed the Committee that the problem still exist as there are number of errors in the system.

During its engagement with stakeholders in local governance system, particularly the PFMRD that has direct link to the System, it was stated that:

- infrastructural assessments have been conducted in all Local Councils for the introduction of the PFM SMART, replacing the PETRA System;
- equipment such as Solar, computers, Servers and other gadgets have been procured and installation has commenced;
- complete rollout of the PFM SMART Accounting Software will be done at the end of the 1st Quarter of 2026 and training for the users of the System has commenced; and
- the PETRA System does not record transactions in real time because it is an Expo System and its license is concurrent, which allows a number of users to access it, instead of paying for every user.

The Committee revealed that the PETRA System lacked transparency as the Server could no longer accommodate important users like Mayors, Chairpersons, CAs and Internal Auditors who were supposed to supervise trail of transactions or monitor the operations of the Council.

In consideration of the fact that there is now an intention to migrate from the PETRA System to the PFM SMART, the Committee declared all issues relating to the PETRA System closed. However, in anticipation of the introduction of the PFM SMART in January 2026, the Committee recommends the following

- ***PFMRD and other stakeholders should ensure the sustainability of the PFM SMART by deploying maintenance teams across the regions for early detection and correction of faults; and***
- ***Council should make adequate budgetary provision for the procurement of additional tools.***

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe1,622,276**, Council collected **NLe1,804,774**, registering excess of **NLe182,498 [11.25%]**.

The Committee's Observation[s] and Recommendation[s]

Requested to explain the reasons for exceeding revenue target, Management mentioned that they developed a revenue mobilisation strategy with Paramount Chiefs who proved to be supportive and robust in the process, identified all viable revenue sources, such as evacuation fees from other districts or countries like Guinea, who were buying palm kernel oil or palm oil from the district and the reactivation of the CADASTRE System contributed greatly for the exceptional or outstanding performance in revenue collection.

The Committee commended Management for exceeding target, but however expressed dissatisfaction over Council's material misstatements in the financial statements that resulted in the issuance of qualified audit opinion.

The Committee recommended the following:

- ***Management should continue to identify other potential revenue sources and ensure that non-performing ones should be monitored effectively in order to maximise revenue collection;***
- ***they should set achievable revenue projections, which should be based on available data of all revenue sources; and***
- ***Management should ensure massive sensitisation of revenue collectors and taxpayers within the district on the need to pay tax.***

Non-Payment of Statutory Deductions

The audit report disclosed that statutory deductions amounting to **NLe17,266.00** was not paid to NASSIT, in contravention of Section 25 of the NASSIT Act, 2001 and Section 117[4] of the Income Act Tax Act, 2000.

The Committee's Observation[s] and Recommendation[s]

Asked to update the Committee on the status of the audit query, the FO submitted receipt worth **NLe13,000**, stating that the balance of **NLe4,266** would be paid within two weeks and the receipt would be forwarded to ASSL for verification.

The Committee declared this audit query partially resolved and Management was cautioned that in future, a repeat of such act would attract penalty charges as mentioned in Section 129 of the Income Tax Act, 2000 and Section 12[b] of the Audit Service Act, 2014.

Ineffective Internal Audit Function

With weak internal audit function, the audit report revealed the following:

- a risk management and fraud policy not in existence;
- planned audits not fully executed and reported as stipulated in Section 91[2] of the Local Government Act, 2022;
- reports issued to Management were not always responded to;
- the Internal Audit Committee was not functional;
- the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee;
- audit working paper files were not maintained in a standard format; and
- the Internal Audit Unit was understaffed, as the internal auditor is the only staff in the Unit.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from Management that the internal auditor has not been effective and efficient in his work because of capacity and health issues. It was noted that the internal auditor had never submitted any internal audit reports to Management.

The Committee emphasised the critical role of the internal auditor, stating that effective internal audit function promotes transparency and accountability, improves operational efficiency, assesses controls and ensures compliance with the laws, enhances service delivery, and increases public trust in the work of Local Councils.

The Committee recommended the following:

- ***the internal auditor should be dismissed with immediate effect due to his inefficiency and health condition;***
- ***Management should expedite the development of a risk management and fraud policy that clearly indicates how Council identifies, assesses and mitigates the risk of fraud to protect its assets;***
- ***internal audit reports must be submitted to the Audit Committee for the attention of Management and issues raised therein must be adequately and appropriately addressed; and***
- ***Management should ensure that the internal auditor and the Audit Committee are made effective and efficient in the performance of their duties by providing adequate material and human resources.***

Poor Condition of Council Buildings

The audit report stated that both the administrative building and the guesthouse needed urgent refurbishment and furnishing as they pose serious health risk to people accessing the buildings. The buildings were with roof leakages, damaged ceilings, faulty electrical switches and broken pieces of furniture.

The Committee's Observation[s] and Recommendation[s]

The FO, in his response, submitted the procurement documents to the Committee, stating that at the time of audit, the Procurement Officer was transferred to another Council. He concluded that the facilities now have 24-hours uninterrupted power supply from the Solar System and all the facilities are operational.

The Committee however noted from the audit team that the rehabilitation works were not properly done as several defects were detected.

The Committee ordered that Management should correct all the defects before the conclusion of the 2024 audit exercise.

5.12 Makeni City Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe4,344,039**, Council collected **NLe2,261,371** was generated, registering a shortfall of **NLe2,082,668 [47.94%]**.

The Committee's Observation[s] and Recommendation[s]

Questioned why the underperformance in revenue mobilisation, Management disclosed that the shortfall was as a result of the following factors:

- individuals and business entities failed to pay because of the 2023 General Election; and
- Council lacked comprehensive data of revenue streams, but Council has adopted the MOPTAX System to enhance revenue generation.

The Committee however dismissed the argument that one of the reasons for Council's terrible performance in revenue mobilisation was as a result of the 2023 General Elections. The Committee stated that the elections had nothing to do with revenue mobilisation because the same elections were conducted in other Councils, but they did very well in revenue generation. It was concluded that Council encouraged individuals and business entities to invade tax.

The Committee recommends the following:

- ***Management should continue to identify potential revenue sources and update their database regularly, so as to achieve their target;***
- ***Management should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***debts owed to Council should be collected in order to close the shortfall and there must be massive sensitisation of revenue collectors and taxpayers within the city.***

Title Deeds/Conveyances not made Available

The audit report disclosed that the Council's asset register recorded land and buildings, but titled deeds/conveyances were not submitted for audit, making it difficult to determine the legal ownership of these assets.

The Committee's Observation[s] and Recommendation[s]

In his response, the CA revealed that even though the issue was inherited, but Management had started putting together the conveyances and other documents for all landed property. The Committee further observed that Management had no attorney to address some of the legal issues confronting Council.

The Committee highlighted the significance of conveyance deeds as they provide irrefutable proofs of ownership of property and therefore encouraged Management to secure all documents relating to Council's landed property. Management was also advised to hire a lawyer, so that some of these legal challenges could be addressed.

Use of RfQ Instead of NCB Method

The audit report disclosed that contracts for goods and services worth **NLe137,639** were awarded using the RfQ, instead of the NCB procurement method.

The Committee's Observation[s] and Recommendation[s]

Management disclosed that since the funds were provided in piecemeal, procurement activities were also done in that same direction.

The Committee observed that even when the funds were made available in piecemeal, the procurement activities undertaken were above the thresholds stated in Section 68[2] of the NPPA Act, 2016. The Committee further noted that Management used the thresholds issued by NPPA to flout the laws.

The Committee warned that henceforth Council should adhere to the thresholds mentioned in the existing laws, otherwise disciplinary actions would be taken against them for non-compliance.

5.13 Bombali District Council

Own Source Revenue below Budgeted Figure

The audit report revealed that out of a total budgeted figure of **NLe2,435,108**, Council collected **NLe1,433,231**, recording a shortfall of **NLe1,001,877 [41.14%]**.

The Committee's Observation[s] and Recommendation[s]

Questioned why the shortfall in revenue mobilisation, Management angrily challenged the auditors, stating that 2023 was the very year that Bombali District Council exceeded its target. Management concluded that it was a surprise to hear that they failed to achieve their revenue target.

The Committee recommended the following:

- ***Management and the auditors should meet with a view to resolving the disputed figures;***
- ***Management should continue to identify potential revenue sources and update their database regularly, so as to achieve revenue target;***
- ***Management should also make provision in their annual budget for the recruitment and training of more revenue collectors;***

- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***debts owed to Council should be collected in order to close the shortfall and there must be massive sensitisation of revenue collectors and taxpayers within the city.***

Revenue not Banked

The audit report stated that revenue totalling **NLe16,800** was collected, but not banked. The report concluded that moneys could have been misappropriated, leading to a loss of public funds.

The Committee's Observation[s] and Recommendation[s]

The Committee noted from Management's comments that the revenue collectors paid themselves after collection in accordance with the Memorandum of Understanding with the Chiefdom Councils, which states that the Chiefdom Councils should retain **30%** while the Council was given **70%** of what was collected.

The Committee condemned Management's decision to allow revenue collectors to pay themselves in contravention of Section 66[5] of the Local Government Act, 2022, which states that **"The Chiefdom Council shall, where applicable, collect the local tax and pay the precept to the Local Council."**

In this respect, the Committee mandated that the MoU be immediately revoked and going forward, all revenue and funds received must be deposited into Council's revenue account before utilisation as stated in Section 70 of the Local Government Act, 2022.

5.14 Falaba District Council

Own Source Revenue below Budgeted Figure

The audit report stated that out of a total budgeted figure of **NLe730,800**, Council collected **NLe166,602**, recording a shortfall of **NLe564,198 [77.20%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that the ban on timber logging and the fact that Council had not exploited other revenue sources like local farmers and open-air marketplaces [LUMAS], where Council could have increased their revenue exponentially, resulted in such horrible performance in revenue collection.

The Committee noted that Falaba is a new district, marred with lots of challenges, ranging from terrible terrains to challenging health and education sectors. It was

concluded that if Council is unable to address these challenges, the indigenes might not pay tax to Council.

The Committee recommended the following:

- ❖ ***Management should work with the local farmers to put in place a comprehensive database of all the cattle within the district.***
- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***debts owed to Council should be collected in order to close the shortfall and there must be massive sensitisation of revenue collectors and taxpayers within the district.***

5.15 Koinadugu District Council

Own Source Revenue below Budgeted Figure

The audit report stated that out of a total budgeted figure of **NLe2,062,292**, Council collected **NLe1,507,426**, recording a shortfall of **NLe554,866 [6.64%]**.

The Committee's Observation[s] and Recommendation[s]

In accordance with Section 49[2] of the Local Government Act, 2022, the Committee observed that the Council made tremendous efforts to generate revenue from its own sources.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Procurement Documents not Submitted

The audit report indicated that procurement documents were not submitted in respect of the following:

- leasing the community plaza, the beach bar at Yogomaia, and the community centre hall at Yogomaia; and
- Bafodia Market, the Affia Senior Secondary School completion, the fabrication of furniture for the Affia SSS.

5.16 Koidu New Sembehun City

Non-payment of Statutory Deductions

The audit report indicated that withholding taxes totalling **NLe261,818.00** and NASSIT contribution totalling **NLe737,979,.00** were not paid to NRA and NASSIT respectively in contravention of Section 117[4] of the Income Tax Act, 2000 and Section 25[1] of the NASSIT Act, 2001.

The Committee's Observation[s] and Recommendation[s]

Management revealed that this audit query relates to 2004, when the Trust was established, but a payment plan has been made with the Trust and **NLe491,000.00** had already been paid while the **NLe261,818.00** withholding tax remained outstanding.

The Committee encouraged Management to speed up the payments of these outstanding amounts to NRA and NASSIT.

5.17 Kono District Council

Own Source Revenue below Budgeted Figure

The audit report stated that out of a total budgeted figure of **NLe1,169,150**, Council collected **NLe707,743**, recording a shortfall of **NLe461,407 [39.47%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that Management had not done much to generate revenue, adding that Kono has been the leading producer of diamond and gold that could have leveraged on.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

5.18 Port Loko District Council

Own Source Revenue below Budgeted Figure

The audit report stated that out of a total budgeted figure of **NLe2,027,116**, Council collected **NLe2,767,249**, registering an increase of **NLe740,133 [-36.51%]**.

The Committee's Observation[s] and Recommendation[s]

Asked to explain the reasons for exceeding target, the CA disclosed the following:

- ❖ Council had a contract with the Sierra Leone Airport Authority to collect wastes and deposit same at the dumpsite; and
- ❖ the increase in the number of companies and factories within the district contributed significantly to the Council's revenue, with certain factories also settling their outstanding liabilities owed to Council.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources, such as stone mining at Mile 38 to increase their revenue base;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Contract for the Construction of Additional Stalls at Lunsar Market Abandoned

The audit report revealed that the project's completion period was four months and the intended completion date was 31st October 2023. At the time of the site verification exercise on 17th July 2024, the project was however only **50%** complete according to the work completion certificate and no work was ongoing. The report further disclosed that a measured works certificate was issued to the contractor, and payment of the **50%** measured works amounting to **NLe270,928.03** was made in September 2023. Discussion with the Civil Works Engineer revealed that there is a dispute over the ownership of the land.

The Committee's Observation[s] and Recommendation[s]

In his response, the CA stated that Management acquired a piece of land from the Paramount Chief to expand the existing market, unaware that it was a disputed area. The arrest of the contractors and the fact that the matter was taken to court caused the delay in the project's completion. Although the matter has been settled by the Local Court, there is no official documentation confirming its resolution.

The Committee noted the Paramount Chief's lack of consultation with landowners, which contributed to the dispute, and advised Management to conduct proper consultations moving forward.

5.19 Port Loko City Council

Own Source Revenue below Budgeted Figure

The audit report indicated that out of a total budgeted figure of **NLe614,720**, Council collected **NLe170,658**, recording a shortfall of **NLe444,062 [72.24%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee observed that Port Loko City Council ranks as the second lowest in performance regarding revenue mobilisation, trailing only behind Tonkolili District. This significant underperformance has implications that could negatively impact the delivery of services within the city.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Non-Payment of Statutory Deductions

The audit report mentioned that withholding taxes totalling **NLe4,160.75** and NASSIT contribution totalling **NLe8,400** were not paid to NRA and NASSIT respectively, in contravention of Section 117[4] of the Income Tax Act, 2000 and Section 25[1] of the NASSIT Act, 2001.

The Committee's Observation[s] and Recommendation[s]

The FO submitted documents in respect of the withholding taxes and for the NASSIT contribution, Council has paid **NLe10,000** to the ACC. The Committee further observed that this particular matter is in court.

The Committee recommended that Management should prepare a payment plan with NASSIT and the terms and conditions of such payment schedule must be respected.

Assets not Available for Inspection

The audit report revealed that 24 laptop computers, one Global Positioning System [GPS], one smartphone POP 7, one motorbike and one electrical extension, recorded in the assets register were not produced for physical verification.

The Committee's Observation[s] and Recommendation[s]

Management reported that most staff members who had been transferred to various Councils took the assets with them. Subsequently, these individuals informed Council that the assets had been stolen.

The Committee advised Management to value the assets and write to their respective superiors, so that their salaries could be used to address this audit issue.

Business Documents of Bidders Not Submitted

The audit report indicated that essential business documents required to verify bidder eligibility for contracts totaling **NLe4,043,704** were missing. It concluded that the Council's failure to request these documents might lead to the involvement of ineligible businesses in public procurement, potentially undermining value for money.

The Committee's Observation[s] and Recommendation[s]

The Committee's discussions with Management revealed the following:

- ❖ Management is currently awaiting the fortieth day ceremony of the Procurement Officer who passed away prior to the retrieval of the documents from his office; and
- ❖ all core staff of the Council, except the Accountant, were transferred without submitting handing over notes to their successors.

The Committee advised Management to promptly obtain the documents from the previous Procurement Officer's office and present them to the auditors for review, including advance payment guarantee.

5.20 Karene District Council

Own Source Revenue below Budgeted Figure

The audit report indicated that out of a total budgeted figure of **NLe344,362**, Council collected **NLe171,221**, recording a shortfall of **NLe173,141 [50.28%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee expressed concern regarding the inadequate efforts made by Management in revenue collection. They indicated that this considerable shortfall in revenue could potentially lead to negative consequences, particularly affecting the quality of service delivery for the community.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Assets Not Provided for Verification

The audit report indicated discrepancies in asset verification, noting one tricycle, seven motorbikes, five office furniture items, 16 office equipment items, and one tractor [code QLN-454] were not presented for verification. Moreover, a Public Address system and chairs acquired through EU funds lacked unique identification codes, and out of four speakers for the PA system, only two were recorded in the assets register.

The Committee's Observation[s] and Recommendation[s]

The Committee observed from its discussions with Management that:

- ❖ the assets were donated to the devolved sectors, but Council officials were not present at the donation ceremony to witness the event;
- ❖ the tractor was originally owned by the Bombali District Council before the creation of Karene District, but it was later given to Karene District Council without documentary trail; and
- ❖ out of the seven motorbikes, one was reported missing, but the remaining six are at the Council's premises.

The Committee directed the auditors and the Council's Management team to conduct an investigation focused on determining both the existence of the assets in question and their current locations.

5.21 Tonkolili District Council

Own Source Revenue below Budgeted Figure

The audit report mentioned that out of a total budgeted figure of **NLe2,884,670**, Council collected **NLe747,263**, recording a shortfall of **NLe2,137,407 [74.10%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee raised serious concern over Management's insufficient efforts in revenue collection. Specifically, it highlighted that among all the Local Councils, Tonkolili District Council has exhibited poor performance in mobilising revenue. The Committee

warned that this significant shortfall in revenue could have detrimental effects, especially threatening the quality of service delivery within the district.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Concrete Testing Cost in the Bill of Quantities [BoQ] without Evidence of Test Conducted

The audit report stated that:

- ❖ two contracts with a total value of **NLe1,959,715.10** were awarded for the rehabilitation of a community health center and the construction of six classroom building at Mayorpoh, Gbonkolenken Chiefdom. These contracts were funded by the World Bank under the Accountable Governance Project; and
- ❖ the sum of **NLe13,990** was included in the BoQs for concrete testing, but no evidence of test result was provided to confirm that the testing was actually carried out by the contractor.

The Committee's Observation[s] and Recommendation[s]

The Committee's discussions with Management unveiled that the contractor was not paid because he failed to execute the activity in question.

The Committee advised that Management should engage the engineer to conduct concrete testing using a specialised vibrator. This testing aims to evaluate the quality, strength, and durability of the concrete. Alternatively, if this testing is not conducted, Management should use the funds for other purpose.

5.22 Kambia District Council

Own Source Revenue below Budgeted Figure

The audit report mentioned that out of a total budgeted figure of **NLe2,695,305**, Council collected **NLe1,098,463**, recording a shortfall of **NLe1,596,842 [59.25%]**.

The Committee's Observation[s] and Recommendation[s]

The Committee expressed grave concern over Management's abysmal performance in revenue collection. The Committee cautioned that this significant drop in revenue mobilisation would have negative consequences, particularly endangering the Council's ability to provide high-quality services.

The Committee recommended the following:

- ***Management should work towards identifying potential revenue sources to enable them achieve revenue target;***
- ***they should also make provision in their annual budget for the recruitment and training of more revenue collectors;***
- ***Management should set realistic and achievable revenue projections and such projections should be based on available data of all revenue sources; and***
- ***Management must embark on massive sensitisation of revenue collectors and taxpayers within the district.***

Lease of Rent Council Guesthouse and Resource Centre not Paid

The audit report uncovered that Council outsourced a guesthouse in Kambia II to ALKUPS Enterprise, and a resource center in Kambia 1 for an annual fee of **NLe20,000** and **NLe35,000** respectively. There was no evidence of payment and banking of these amounts.

The Committee's Observation[s] and Recommendation[s]

The Committee noted that the leasee has made a payment of **NLe15,000** and has established a payment plan. Additionally, it was observed that the business has not been flourishing, which has led to issues with non-payment.

The Committee advised Management to ensure that the leasee adheres to the terms and conditions of the payment plan. Furthermore, the auditors were advised to follow up on this audit query for further clarifications and compliance.

Payments to Various Suppliers/Contractors without Evidence of Work Done

The audit report stated that amounts totalling **NLe757,302.90** were paid to suppliers/contractors for the construction of a meat market and rehabilitation of a public toilet at Madina [**NLe262,924.00**], rehabilitation of the public toilet at the

Market [**NLe 178,512.00**]; rehabilitation of public toilet at Barmoi Luma Market stalls [**NLe 179,781.00**]; and the construction of Lawn and Kerbs [**NLe 136,085.90**]

The Committee's Observation[s] and Recommendation[s]

The CA displayed photographs of the completed market and public toilets, indicating that the lawn was not constructed because of the intended site had already been paved. He confirmed that the funds were allocated for constructing a car waiting center.

The Committee recommended that the audit team investigate this matter further during their auditing activities in 2024 to verify the legitimacy and authenticity of Management's submission.

6.0 AUDIT ISSUES RESOLVED BY THE COMMITTEE AND ASSOCIATED RECOMMENDATIONS

Table 2: AUDIT ISSUES CONSIDERED RESOLVED BY THE COMMITTEE WITH FURTHER RECOMMENDATIONS

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
6.1	FREETOWN CITY COUNCIL	<p>Unsupported Payments The audit report disclosed that FCC made payments totalling NLe 76,197.00 for various expenses without payment vouchers and other supporting documents.</p>	<p>Questioned why the documents were not submitted to the audit team, the Finance Officer [FO] tendered in evidence adequate supporting documents, stating that most of the documents were misfiled at the time of the audit period. The Committee observed a poor records management system.</p> <p><i>Declaring this audit query resolved, the Committee recommended that in future, Management should ensure proper management of financial records and produce the same upon request. The Committee further warned that a repeat of this act would attract penalty charges as stated in Section 89 of the Local Government Act, 2022, and Section 93 of the PFM Act, 2016.</i></p>

		<p>Withholding taxes not Paid The audit report revealed that withholding taxes totalling NLe330,075.39 was not paid to the NRA.</p>	<p>The Finance Officer submitted receipts totalling NLe330,075.39 to the PAC. The Committee observed from the review of the receipts that the payment was made on the 5th August 2025 upon receiving PAC’s summons.</p> <p><i>In view of the above, the Committee announced this audit query resolved, but counselled that in future, Management adheres to statutory provisions in line with Section 129 of the Income Tax Act, 2000.</i></p>
		<p>Pay-As-You-Earn [PAYE] not paid The audit report stated that PAYE taxes totalling NLe624,555.66 was not paid to the NRA.</p>	<p>The Committee observed that a debt settlement with the Central Government has been made since the Government of Sierra Leone has to pay FCC over NLe3mIn in respect of property rates.</p> <p><i>The Committee observed that a cross-debt settlement had been reached with the Central Government and thus declared this audit query resolved.</i></p>

6.2	KENEMA DISTRICT COUNCIL	<p>Non-Payment of Statutory Deductions</p> <p>The audit report stated that statutory deductions amounting to NLe1,365.89 in respect of withholding tax was not paid to NRA.</p>	<p>In his response, the FO tendered in evidence NRA receipt worth NLe1,365.89. From the review of the receipt, the Committee observed that the amount queried by the auditors has been paid.</p> <p><i>In view of the foregoing, the Committee announced the audit query resolved and therefore recommends its removal from the audit report. Management was, however, reminded of Section 116 of Income Tax Act, 2000.</i></p>
6.3	KAILAHUN DISTRICT COUNCIL	<p>Unsupported Payments</p> <p>The audit report stated that payment totaling NLe30,700.00 were made for various expenses without payment vouchers and other supporting documents.</p>	<p>The FO submitted documents relating to the queried amount and the Committee observed that they were adequate.</p> <p><i>The Committee declared this audit query resolved and therefore recommends its removal from the audit report. Management was advised to improve its records management and submit documents upon request for inspection.</i></p>

		<p>Non-Payment of Statutory Deductions The audit report stated that statutory deductions amounting to NLe222,283.79 in respect of withholding tax of NLe52,773.79 and NLe169,510.00 in respect of NASSIT not paid to NRA and NASSIT, respectively.</p>	<p>The Committee observed that both taxes were withheld, but Council failed to pay to NRA and NASSIT, in contravention of Section 25 of the NASSIT Act, 2001 and Section 117[4] of the Income Act Tax Act, 2000.</p> <p>The FO submitted documents relating to the queried amounts, and the Committee observed that they were adequate.</p> <p><i>The Committee declared the two audit queries resolved and therefore recommends their deletion from the audit report. Management was cautioned that in future, a repeat of such act would leave the PAC with no option but to apply or implement Section 129 of the Income Tax Act, 2000 and Section 12[b] of the Audit Service Act, 2014.</i></p>
--	--	---	--

<p>6.4</p>	<p>KENEMA CITY COUNCIL</p>	<p>Non-Payment of Statutory Deductions The audit report mentioned that statutory deductions amounting to NLe80,970 was not paid to NASSIT, in contravention of Section 25 of the NASSIT Act, 2001 and Section 117[4] of the Income Act Tax Act, 2000.</p>	<p>The FO submitted documents relating to the queried amount, and the Committee observed that the documents were adequate.</p> <p><i>The Committee declared this audit query resolved and therefore recommends its removal from the audit report. Management was cautioned that in future, a repeat of such act would leave the PAC with no option but to apply Section 129 of the Income Tax Act, 2000 and Section 12[b] of the Audit Service Act, 2014.</i></p>
		<p>Procurement Documents Not Submitted The audit report indicated that in spite of repeated requests, procurement documents totalling NLe1,604,966.7 were not provided for audit verification.</p>	<p>The FO tendered in evidence documents in respect of the audit query, stating that some of the transactions were not fully executed when the auditors commenced their audit exercise.</p> <p>Upon reviewing the documents by the resident auditor in the region, he informed the Committee that they [documents] were adequate and Management had addressed the issue.</p> <p><i>The Committee declared the issue resolved and therefore recommends its removal from the audit report. Management was advised that in future, accountable documents should be submitted in line with Section 3[a] of the Audit Service [Amendment] Act, 2023, or they stand the risk of penalty charges.</i></p>

6.5	BO DISTRICT COUNCIL	<p>Payments to Various Contractors without Evidence of Work Done</p> <p>The audit report revealed that NLe119,411.65 was paid to contractors for the construction of a hand-dug well and the installation of a 3-horsepower solar pump. The report concluded that the duration for these contracts had elapsed and full payments had already made by the Council.</p>	<p>From its discussions with Management, the Committee observed that at the time of audit, the implementation of the project was still ongoing because the Engineer encountered a rock after 12 meters of drilling. The work was stalled, but the remaining amount was paid to SALWACO for connections. It was noted that the facility is presently supplying water.</p> <p><i>The Committee announced this audit query resolved and therefore recommends its removal from the audit report.</i></p>
6.6	BONTHE DISTRICT COUNCIL	<p>Salary Paid Below the Statutory Minimum Wage</p> <p>The audit report revealed that eight support staff of the Council, including the account assistant, drivers, administrative assistants, cleaners and messengers, were paid below the statutory minimum wage of NLe800 during the year under review. Additionally, withholding taxes of NLe5,831.76 were deducted from their salaries which should not have been done.</p>	<p>Management disclosed that the reason for the underpayment was a result of financial constraints. It was however, observed that the said staff members have started receiving salaries above the minimum wage. The Committee ordered a refund of NLe5,831.76 held as withholding tax and it has been rebated to the staff.</p> <p><i>In view of the foregoing, the Committee announced that this query resolved and therefore should be deleted from the audit report.</i></p>

		<p>Fixed Assets not Available for Verification</p> <p>The audit report mentioned that three laptop computers and external back-up drive bought in 2023 were not available for physical verification.</p>	<p>The Committee observed that instead of three, they were supposed to be two laptop computers, which have already been retrieved and they are now with Council.</p> <p><i>The Committee declared this issue resolved and therefore recommends its removal from the audit report. The Committee strongly advised Management to ensure that the fixed assets register be maintained and regularly updated.</i></p>
6.7	MAKENI CITY COUNCIL	<p>Assets not Available for Verification</p> <p>The audit report revealed that 24 office furniture, 11 office equipment, one office fitting and one solid waste equipment, recorded in the assets register were not produced for physical verification.</p>	<p>The Committee, at the end of its engagement with Management, physically verified all the assets that were not presented to the auditors for inspection.</p> <p><i>Therefore, the Committee declared the issue settled and thus recommends its deletion from the audit report.</i></p>

		<p>Business Documents of Bidders not Submitted for Audit</p> <p>The audit report revealed the following:</p> <ul style="list-style-type: none"> ▪ pertinent business documents, such as Council registration certificate, business license, business registration certificate, Sierra Leone Roads Authority Certificate and site visitation certificate, were not produced to confirm the eligibility of bidders, for the award of five contracts worth NLe4,043,704; ▪ retention moneys were paid to the contractors even though the Civil Works Engineer had not issued completion certificates to contractors for the completed contracts; and ▪ procurement documents, such as minutes of the Procurement Committee, in respect of NLe4,043,704 for the maintenance of roads, construction of bridges and culverts, and NLe1,285,818 for the construction of mini-stores at the Port Loko Lorry Park funded by the European Union [EU] were not submitted to confirm how decisions were reached to award the contracts to the successful bidders. 	<p>Reacting to this query, the CA tendered in evidence the documents to the Committee, revealing that most of the documents were misfiled.</p> <p>After a thorough review of the documents, the resident auditors confirmed that the documents were sufficient and that the issue had been addressed.</p> <p><i>Upon the auditors' confirmation, the Committee declared the issue closed and therefore recommends its removal from the audit report. However, Management was cautioned to improve its records management system so that accountable documents would be produced upon request.</i></p>
--	--	--	--

6.8	BOMBALI DISTRICT COUNCIL	<p>Non-Payment of Statutory Deductions The audit report disclosed that withholding taxes totalling NLe160,785 and PAYE taxes amounting to NLe13,845 were not paid to NRA, in contravention of Section 117[4] of the Income Act Tax Act, 2000.</p>	<p>Asked to update the Committee on the status of the audit query, the FO submitted receipts for both PAYE and withholding taxes, stating that the taxes were deducted, but NRA always had serious issue with their system and that was why the payments were delayed.</p> <p>The auditors verified the receipts and confirmed that Management had adequately addressed the two issues.</p> <p><i>The Committee pronounced the audit queries closed and therefore recommends their deletion from the audit report.</i></p>
		<p>Assets Not Available For Verification The audit report mentioned that a Honda XL 125L with registration number AGB 792, recorded in the fixed assets register, was not produced for physical verification.</p>	<p>The Committee ordered that the motorbike be taken to Makeni City Council Hall, where it was physically inspected by the Committee and auditors.</p> <p><i>The Committee proclaimed this audit query settled and therefore recommends its removal from the audit report. However, Management was warned that in future, assets be made available to the audit team upon request.</i></p>

6.9	FALABA DISTRICT COUNCIL	<p>Non-payment of statutory Deductions The audit report stated that withholding taxes totalling NLe92,005.00 were not paid to NRA in contravention of Section 117[4] of the Income Tax Act, 2000.</p>	<p>Documents presented to the Committee indicated that payment had been made, with delays attributed to difficulties caused by the Community Bank. Management has stated that the Council has transferred to the Rokel Commercial Bank.</p> <p><i>The Committee pronounced this audit query settled and therefore recommends its deletion from the audit report.</i></p>
		<p>Assets not Available for Verification The AG’s report indicated that:</p> <ul style="list-style-type: none"> ▪ a motorbike with registration number ANQ 183 assigned to the former Deputy Chairman, and a HP laptop computer and a digital camera assigned to a former engineer were not presented for verification; and ▪ three HP laptop computers [8GB RAM], two Yamaha YRB 125 motorbikes [blue], a projector [with screen, and a hard drive [500 GB], recorded in the fixed assets register were not produced for physical verification. 	<p>Management mentioned that the assets in question were at Mongo in the custody of the devolved sectors. On the orders of the Committee, Management submitted photographs of the queried assets.</p> <p><i>The Committee declared this issue closed and therefore recommends its removal from the report. However, Management was advised that going forward, assets should be made available to the auditors regardless of where they are deployed.</i></p>

		<p>Payment to Suppliers/Contractors without Evidence of Work Done</p> <p>The audit report stated that a contract worth NLe52,300 was awarded to Rocky Construction and General Supplies for the construction of a meat market and rehabilitation of a public toilet at Madina, Tonko Limba Rehabilitation and Extension of a Community Health Post [CHP], VIP Latrine with WASH facility at Firawa, Barawa Wollay Chiefdom.</p>	<p>The Committee observed that the project was funded by the World Bank and it has been completed.</p> <p><i>The Committee announced this issue resolved and therefore recommends its removal from the report. However, Management was advised that going forward, projects should be executed in accordance with the timeline stated in the BoQs.</i></p>
<p>6.10</p>	<p>KOINADUGU DISTRICT COUNCIL</p>	<p>Procurement Documents not Submitted</p> <p>The audit report indicated that procurement documents were not submitted in respect of the following:</p> <ul style="list-style-type: none"> ▪ leasing the community plaza, the beach bar at Yogomaia, and the community centre hall at Yogomaia; and ▪ Bafodia Market, the Affia Senior Secondary School completion, the fabrication of furniture for the Affia SSS 	<p>In his response, the FO submitted the documents to the Committee, disclosing that these were World Bank projects and the documents in question were submitted to international auditors.</p> <p>After a methodical review of the documents, the audit team confirmed that they were adequate and that Management had addressed the issue.</p> <p><i>The Committee pronounced this audit query resolved and therefore recommends its removal from the report.</i></p>

<p>6.11</p>	<p>KONO DISTRICT COUNCIL</p>	<p>Unsupported Payments The audit report disclosed that payments totalling NLe 80,380.00 for various expenses were without payment vouchers and other relevant supporting documents.</p>	<p>In his response, FO submitted the documents and revealed that the administrative building was undergoing refurbishment, which caused certain documents to be misfiled.</p> <p>Upon reviewing the documents, the audit team confirmed that Management had addressed the issue.</p> <p><i>The Committee declared this audit query resolved and therefore recommends its deletion from the report.</i></p>
		<p>Procurement Documents Not Submitted The audit report stated that in spite of repeated requests, RfQ procurement documents, totalling NLe187,903.74 were not provided for audit.</p>	<p>The FO submitted supporting documentation in respect this audit inquiry, claiming that most of the documents were filed wrongly during the administrative building's renovation.</p> <p>The auditors confirmed that Management had taken care of the problem after examining the records.</p> <p><i>The Committee declared this issue resolved and therefore recommends its deletion from the report.</i></p>

<p>6.12</p>	<p>PORT LOKO DISTRICT COUNCIL</p>	<p>Bidding Processes Not Properly Followed for National Competitive Bidding</p> <p>The audit report indicated that:</p> <ul style="list-style-type: none"> ▪ the bid evaluation report for the rehabilitation and upgrading of the African Methodist Episcopal Primary School, valued at NLe938,448, contained inconsistencies. The Evaluation Committee claimed that the procurement was advertised for two weeks, published on the NPPA website on November 15, 2022, and in three newspapers. However, the auditors discovered on July 10, 2024, that the invitation to bid was not published as the Evaluation Committee had claimed; ▪ the evaluation report and bid opening minutes were not signed by members of the Technical Evaluation Committee and members of the Procurement Committee respectively; and ▪ the bid evaluation report and minutes for the rehabilitation and upgrade of the African Methodist Episcopal Primary School and the Maternal Health Post at Kawengha was only signed by the PO and his assistant who were not members of the Evaluation Committee. 	<p>In his response, the CA disclosed the following after submitting the documents to the Committee:</p> <ul style="list-style-type: none"> ▪ documents such as adverts and those without signatures were not available at the time of audit due to misfiling, but they were later found; and ▪ the upgrading and rehabilitation of the school had been completed. <p><i>Upon review of the documents, the auditors confirmed that Management had addressed the issue, and the Committee therefore announced the audit query resolved.</i></p>
--------------------	--	--	--

6.13	KARENE DISTRICT COUNCIL	<p>Non-Payment of Statutory Deductions The audit report stated that statutory deductions totalling NLe10,542.97 [NLe 3,302.97 withholding taxes, NLe 1,120.00 PAYE, and NLe 6,120.00 NASSIT contributions], were not paid to NRA and NASSIT respectively, in contravention of Section 117[4] of the Income Tax Act, 2000 and Section 25[1] of the NASSIT Act, 2001.</p>	<p>In his response, the FO provided documents to the Committee, indicating that the delay was caused by the Community Bank, which experienced consistent system outage. Additionally, the lack of nearby commercial banks exacerbated the situation, as the only available banks are located in Kamakwie and Makeni, which are situated at a considerable distance.</p> <p><i>After conducting a verification of the documents, the auditors concluded that they were satisfactory, leading the Committee to declare that the issue had been resolved and be deleted from the audit report.</i></p>
		<p>Property Taxes Not Paid The AG's report indicated that property taxes totalling NLe16,000 were not paid to the Council by mobile network companies for the 32 telecommunications masts erected within the district.</p>	<p>In his response, the CA presented evidence to show that the mobile network companies have settled their liabilities.</p> <p><i>The Committee therefore declared this issue resolved and thus recommends its deletion from the audit report.</i></p>

		<p>Procurement Documents Not Submitted</p> <p>The audit report stated that procurement documents worth NLe 307,549 were not submitted for audit verification.</p>	<p>The Chief Accountant [CA] presented the necessary documents to the Committee, indicating that a portion of these documents had previously been provided to the auditors during the audit process.</p> <p><i>Upon the confirmation by the auditors that Management had addressed the audit query, the Committee announced the issue resolved and thus recommends its removal from the audit report.</i></p>
<p>6.14</p>	<p>TONKOLILI DISTRICT COUNCIL</p>	<p>Inadequate Control over Fixed Assets</p> <p>The audit report revealed that four motor vehicles were unavailable for verification, and 45 assorted assets lacked unique identification codes and were not included in the council's fixed asset register, thereby compromising transparency and accountability.</p>	<p>Management admitted that there was no assets register, but there is now an assets register in place and all assets belonging to Council have been properly coded and included in the assets register.</p> <p>During the 2024 audit exercise, the auditors confirmed that the assets in question were accurately recorded in the assets register, and four vehicles were verified as part of this audit process.</p> <p><i>Upon confirmation by the auditors that Management had addressed the audit query, the Committee pronounced this issue closed and thus recommends that it be erased from the audit report.</i></p>

		<p>No Competitive Recruitment of Staff and No Records of Staff Recruited</p> <p>The audit report stated that evidence of competitive recruitment process was not followed, and the relevant employment records were not submitted for six support staff employed by the Council.</p>	<p>The CA indicated that Management's decision to hire these staff without advertisement was deemed appropriate at the time of their employment since they [staff] were already working for the Council. The CA submitted the staff's files, adding that they have been updated.</p> <p><i>The Committee declared the issue closed and therefore recommends its deletion from the audit report. Management was however cautioned that going forward, they should adhere to recruitment procedures as outlined in their HR Manual.</i></p>
--	--	---	--

		<p>Procurement Documents Not Submitted</p> <p>The audit report revealed that procurement documents amounting to NLe134,705.80 were not submitted for audit.</p>	<p>The Procurement Officer presented the framework contract agreement to the Committee, stating that the Council maintained a framework contract agreement with the supplier. However, it was noted that the auditors did not take into consideration the explanation provided by the Council regarding this matter.</p> <p>The Committee observed that after establishing a framework contract with the supplier, advertising is no longer necessary. Consequently, the Council could have utilised the Local Purchase Order [LPO] rather than proceeding with a Request for Quotation [RfQ].</p> <p><i>Upon receipt of the framework contract agreement, the Committee has determined that the audit query in question is resolved. As a result, the Committee recommends that the issue be removed from the audit report.</i></p>
6.15	KAMBIA DISTRICT COUNCIL	<p>Non-payment of Statutory Deductions</p> <p>The audit report mentioned that outstanding withholding taxes amounting to NLe72,132.76 were not paid to NRA in violation of Section 117[4] of the Income Tax Act, 2000.</p>	<p>Reacting to this audit query, the FO presented evidence of payment NLe72,132.76 to the Committee.</p> <p><i>Upon receipt of the receipt, the Committee declared this audit query resolved and therefore recommends that it be removed from the audit report.</i></p>

		<p>Assets Not Available for Inspection The audit report revealed that assets worth NLe234,000 procured in 2023 were unavailable for verification, posing a risk that those assets could have been converted into personal use, resulting in loss of government assets.</p>	<p>The Committee observed from Management’s submission that the Toyota Hilux was grounded somewhere within the district, but it has been brought back to Council’s premises, including the other assets the auditors queried.</p> <p><i>The Committee declared this audit query closed and therefore recommends its removal from the audit report.</i></p>
		<p>Title Deeds/Conveyances not Made Available for Audit The audit report highlighted the absence of titled deeds for land ownership during the audit at Kambia Lorry Park, where private structures have been built. Additionally, it noted that ward committee offices, constructed in 2014 with funding from the International Fund for Agricultural Development (IFAD) Project, were not listed in the Council's fixed asset register, and no title deeds were provided for audit inspection.</p>	<p>In his response, the former CA presented documents to the Committee, indicating that these documents were part of his handing over notes. He ultimately stated that the structures referenced were not transferred to the Council and that the majority of them are currently being utilised by goats.</p> <p>Upon receipt of the documents, the Committee declared this issue resolved and therefore recommends that it be deleted from the audit report.</p>

		<p>Procurement Documents Not Submitted</p> <p>The audit report revealed that procurement documents amounting to NLe351,935 were not submitted for audit.</p>	<p>The CA submitted the documents to the Committee, revealing that the Procurement Officer lost his life during the course of audit.</p> <p><i>Upon review of the documents, the auditors confirmed that the documents were sufficient and the Committee subsequently declared that the audit query had been resolved satisfactorily.</i></p>
--	--	--	--

7.0 CONCLUSION

The Public Accounts Committee's examination of the Auditor-General's Report on Local Councils for the 2023 financial year has highlighted enduring challenges in public financial management, governance, and institutional capacity at the local government level. Although several audit issues were satisfactorily resolved through PAC hearings, documentary submissions, and follow-up engagements, a significant number of findings remain outstanding, particularly in the areas of own-source revenue mobilisation, procurement compliance, internal audit effectiveness, asset management, and the remittance of statutory deductions. In response to these systemic concerns, the Committee proactively convened a national-level engagement with key stakeholders, including Local Councils and oversight institutions, to promote dialogue, peer learning, and coordinated reform efforts. This engagement culminated in the adoption of the ***Freetown Resolution 2025***, which represents a collective commitment by councils to strengthen revenue mobilisation, enhance inter-council collaboration, and improve compliance with public financial management standards, as detailed in the attached resolutions

The recurrence of similar audit issues across multiple Councils points to systemic weaknesses that require comprehensive and coordinated reforms rather than ad-hoc corrective measures. In this regard, the Committee's recommendations are aimed not only at resolving specific audit queries but also at strengthening internal control systems, improving coordination among oversight institutions, and enhancing the capacity of Local Councils to discharge their statutory responsibilities effectively. The PAC therefore calls on all stakeholders to demonstrate commitment to the timely implementation of these recommendations and reaffirms its resolve to rigorously monitor compliance, with a view to promoting accountability, fiscal discipline, and improved service delivery at the local government level.

8.0 APPENDICES

A

RESOLUTION MATRIX COVERING FY 2023 FOR LOCAL COUNCILS

NAME OF COUNCIL	AUDIT ISSUE	RESOLUTION STATUS
FREETOWN CITY COUNCIL	Unsupported Payments	Resolved
	Withholding taxes not Paid	Resolved
	Pay-As-You-Earn [PAYE] not paid	Resolved
	Revenue Not Collected	Unresolved
	Revenue not Banked	Unresolved
	Inadequate Control over Fixed Assets	Unresolved
	Payments to Various Suppliers/Contractors without Evidence of work Done	Unresolved
WESTERN RURAL DISTRICT COUNCIL	Inadequate Control over Fixed Assets	Unresolved
	Revenue Not Accounted for	Unresolved
	Ineffective Solid Wastes Management	Unresolved
	Non-Payment of Statutory Deductions	Partially Resolved
KENEMA DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-Payment of Statutory Deductions	Resolved
	Ineffective PETRA Accounting Software	Unresolved
KAILAHUN DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Unsupported Payments	Resolved
	Non-Payment of Statutory Deductions	Resolved
KENEMA CITY COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-Payment of Statutory Deductions	Resolved
	Procurement Documents Not Submitted	Resolved

BO DISTRICT COUNCIL	Ineffective PETRA Accounting Software	Unresolved
	Own Source Revenue below Budgeted Figure	Unresolved
	Ineffective Internal Audit Function	Unresolved
	Payments to Various Contractors without Evidence of Work Done	Resolved
PUJEHUN DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Ineffective Internal Audit Function	Unresolved
BONTHE MUNICIPAL COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Ineffective Internal Audit Function	Unresolved
MOYAMBA DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
BO CITY COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Ineffective Internal Audit Function	Unresolved
BONTHE DISTRICT COUNCIL	Ineffective PETRA Accounting Software	Unresolved
	Own Source Revenue below Budgeted Figure	Resolved
	Non-Payment of Statutory Deductions	Partially Resolved
	Ineffective Internal Audit Function	Unresolved
	Salary Paid Below the Statutory Minimum Wage	Resolved
	Fixed Assets not Available for Verification	Resolved
	Poor Condition of Council Buildings	Unresolved
MAKENI CITY COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Title Deeds/Conveyances not made Available	Unresolved
	Assets not Available for Verification	Resolved

	Use of RfQ Instead of NCB Method	Unresolved
	Business Documents of Bidders not Submitted for Audit	Resolved
BOMBALI DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-Payment of Statutory Deductions	Resolved
	Revenue not Banked	Unresolved
	Assets Not Available For Verification	Resolved
FALABA DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-payment of statutory Deductions	Resolved
	Assets not Available for Verification	Resolved
	Payment to Suppliers/Contractors without Evidence of Work Done	Resolved
KOINADUGU DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Procurement Documents not Submitted	Resolved
KOIDU NEW SEMBEHUN CITY COUNCIL	Non-payment of Statutory Deductions	Partially Resolved
KONO DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Unsupported Payments	Resolved
	Procurement Documents Not Submitted	Resolved
PORT LOKO DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Resolved
	Bidding Processes Not Properly Followed for National Competitive Bidding	Resolved
	Contract for the Construction of Additional Stalls at Lunsar Market Abandoned	Unresolved
PORT LOKO CITY COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved

	Non-Payment of Statutory Deductions	Unresolved
	Assets not Available for Inspection	Unresolved
	Business Documents of Bidders Not Submitted	Unresolved
KARENE DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-Payment of Statutory Deductions	Resolved
	Assets Not Provided for Verification	Unresolved
	Property Taxes Not Paid	Resolved
	Procurement Documents Not Submitted	Resolved
TONKOLILI DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Inadequate Control over Fixed Assets	Resolved
	No Competitive Recruitment of Staff and No Records of Staff Recruited	Resolved
	Procurement Documents Not Submitted	Resolved
	Concrete Testing Cost in the Bill of Quantities [BoQ] without Evidence of Test Conducted	Unresolved
KAMBIA DISTRICT COUNCIL	Own Source Revenue below Budgeted Figure	Unresolved
	Non-payment of Statutory Deductions	Resolved
	Assets Not Available for Inspection	Resolved
	Lease of Rent Council Guesthouse and Resource Centre not Paid	Unresolved
	Title Deeds/Conveyances not Made Available for Audit	Resolved
	Procurement Documents Not Submitted	Resolved
	Payments to Various Suppliers/Contractors without Evidence of Work Done	Unresolved

B

FREETOWN RESOLUTIONS 2025 FOR LOCAL COUNCILS

Attached herewith are the signed Freetown Resolutions 2025 for Local Councils, adopted by relevant stakeholders and referenced in this PAC Report.



PARLIAMENT OF SIERRA LEONE

Parliament Building - O.A.U Drive, Tower Hill, Freetown | admin@parliament.gov.sl | www.parliament.gov.sl

Freetown Resolutions 2025 for Local Councils

- i. Local Councils and Chiefdom Councils should jointly collect and manage revenues consistent with the agreed and signed MoUs on revenue mobilisation and management of Local and Chiefdom Councils.
- ii. A National Committee be established with the objective of standardising all existing Ordinances, Regulations, and Acts of Parliament into a cohesive document. This initiative aims to unify the various governing bodies, including Chiefdom Councils, Local Councils, and associated offices such as CCACs, CACs, Court Clerks, and Revenue Collectors. The goal is to create a legally acceptable framework for all Local Councils throughout the nation, ensuring consistency and clarity in governance.
- iii. Local Taxes are to be printed and distributed three months prior to the conclusion of the Financial Year. This timeline ensures that all relevant documentation is provided in a timely manner, facilitating proper accounting and financial practices as the fiscal period draws to a close. Effective FY 2026, local tax rate be increased from NLe5 to NLe10.
- iv. Local Councils should bear the cost of printing local tax receipts and should facilitate the printing with the Government Printer by end Q4 at the latest. Distribution of tax receipts to Chiefdom Authorities and institutions through the District Offices should be done by end Q1 at the latest.
- v. Local Councils and Chiefdom Councils should work together efficiently to enhance their efforts in revenue mobilisation. This collaboration is essential as it enables both parties to leverage their capabilities, share resources, and implement strategic initiatives aimed at increasing revenue. By fostering a cooperative relationship, they can ensure more effective collection and management of revenues.
- vi. Chiefdom Councils should submit their annual budget to Local Councils for approval and oversight in accordance with the provisions outlined in the Local Government Act of 2022. This requirement emphasizes the importance of financial accountability and governance within the local government framework, ensuring that resources are effectively managed and aligned with the communities' priorities.

We make government work for the people, by giving a voice to the voiceless through law making, transparency, accountability and equitable distribution of resources.



PUBLIC ACCOUNTS COMMITTEE (PAC)

Scanned with
CS CamScanner



PARLIAMENT OF SIERRA LEONE

Parliament Building - O.A.U Drive, Tower Hill, Freetown | admin@parliament.gov.sl | www.parliament.gov.sl

- vii. Stakeholders in local governance should establish mechanisms aimed at enhancing collaboration between Local Councils and Chiefdom Councils. This initiative is essential for fostering effective governance and ensuring that both parties work in synergy to address the needs and concerns of the community. Strengthened collaboration can lead to more efficient decision-making processes and promote greater community engagement in local governance issues.

Signed:

Council of Paramount Chiefs

Signed:

MOHAMMAD M-B
SISTAY - U.P.
Chairman, LoCASL

Signed:

Public Accounts Committee

Signed:

Provincial Secretary

Dated, 8th December, 2025

We make government work for the people, by giving a voice to the voiceless through law making, transparency, accountability and equitable distribution of resources.



PUBLIC ACCOUNTS COMMITTEE (PAC)

Scanned with
CamScanner