National CoVID Emergency Response Centre

Report on the Financial Statements for the Period 1st January to 31st December, 2021

Contents

GENERAL INFORMATION

Registered Office	:	17 Guard Room Spur Road
Chairman	:	Dr. Amara Jambai
Bankers	:	United Bank for Africa Sierra Leone Commercial Bank Rokel Commercial Bank Union Trust Bank Eco Bank
Fiduciary Agents	:	BDO Regent House 12 Wilberforce Street Freetown
Auditors	:	Audit Service Sierra Leone

Background Introduction

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

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

The **key objectives** of NACOVERC are:

1. To mitigate the spread of COVID-19
2. To minimise deaths from COVID-19
3. To protect wider health services to ensure that lives are not unnecessarily lost due to non-COVID-19 health causes
4. To mitigate the impact of COVID-19 on livelihoods

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

1. Surveillance
2. Isolation and Quarantine
3. Testing
4. Clinical Treatment
5. Behavioural Change
5. Vaccination (when acquired)

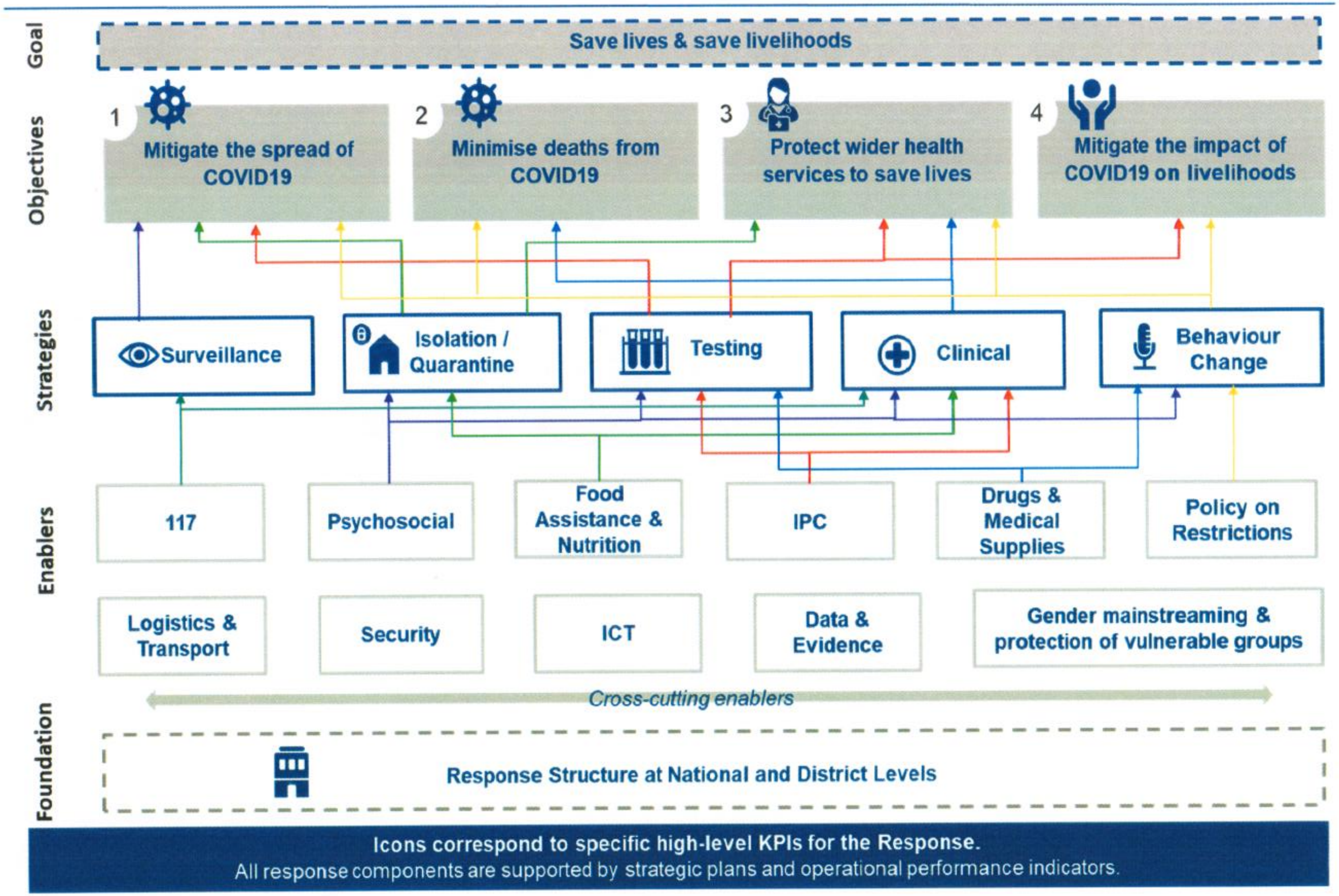
These strategies are supported by several enablers within the response, as shown in the strategic framework for Sierra Leone's National Covid 19 Response below.

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

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

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

Strategic Framework for Sierra Leone's National COVID19 Response



The COVID – 19 Fund Administration

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

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

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

a) Establish administrative mechanisms. systems and structures necessary for the proper administration of the Fund;

b) Provide strategic policy guidance for the implementation of the Fund;

c) Establish audit, accounting and reporting mechanisms and processes including the keeping of proper books of account and other records in relation to the activities. Property and finances of the Fund; and

d) Perform any other functions assigned to him from time to time, and as necessary for the implementation of these Regulations.

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

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

Fiduciary Management at NACOVERC

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

AUDITOR'S REPORT

28th November, 2022

The National Chairman
NaCOVERC
17 Guard Room
Spur Road
Freetown.

Report on the Audit of the Financial Statements of the *National CoVID-19 Response Centre for the Year Ended 31 December 2021* Performed by the Ag. Auditor General

Opinion

We have audited the financial statements of the NaCOVERC, which comprise a Statement of Receipts and Payments for the year ended 31st December 2021, and Notes to the Financial Statements, including summary of significant accounting policies and other explanatory information as set out on pages **13-18.**

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the cash position of the NaCOVERC as at *31st December 2021*, and (*of*) its cash performance for the year ended in accordance with the International Public Sector Accounting Standards (Cash).

Basis for Opinion

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

Emphasis of Matter

Withholding Taxes

Withholding taxes of Le30,482,666, in respect of payments made to suppliers and contractors, were deducted by the NaCOVERC National Office but not paid to the National Revenue Authority (NRA) during the period under review. This amount was however, disclosed in the financial statements in note 1f. The amount remains outstanding.

Key Audit Matters

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

Other Matters

We draw attention to the following matters that are of relevance to users' understanding of the audit, our auditor's responsibilities or the auditor's report.

Lab testing fees revenue not brought into account

During the verification, we re-computed the lab testing fees using the updated portal data given to us by NaCOVERC and adjusted lab testing figures now amount to Le76,952,600,000. We also provided details of the immigration data to the NaCOVERC for their information. Based on all the information available during the verification, the new estimated revenue to have been collected is Le92,687,600,000 using immigration data, and the updated lab testing fees in the adjusted financial statement is Le90,482,420,706. As a result, the remaining variance of lab testing fees amounted to Le2,205,179,294.

Payments not liquidated by recipients

Disbursement carried out by NaCOVERC headquarters and the DiCOVERCS, but for which some requirement details were not presented amounted to Le1,931,093,625. A total of Le448,517,532 was disbursed by the DiCOVERCS and ReCOVERCS, for which the supporting documents were not presented.

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represented the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

F/ACTING AUDITOR GENERAL

Date: 4th January, 2023

STATEMENTS OF RECEIPTS AND PAYMENTS

		2021		2020	
		Le'000	Le'000	Le'000	Le'000
RECEIPTS					
GoSL Funding			**378,909,549**		**299,901,017**
Donations			-		**558,570**
UNDP			-		**251,375**
Revenue Generated	3		**90,968,836**		**24,745,541**
			469,878,385		**325,456,503**
DISBURSEMENTS					
Operational Control	4	**(138,863,258)**		**(132,624,581)**	
Case Management	4	**(117,977,212)**		**(58,544,294)**	
Behavioural Management	4	**(16,986,468)**		**(29,374,844)**	
Testing	4	**(77,246,024)**		**(27,961,005)**	
Surveillance	4	**(15,284,977)**		**(26,694,261)**	
Isolation and Quarantine	4	**(9,394,625)**		**(11,108,445)**	
Vaccination	4	**(7,406,147)**		-	
WHT Paid		**(7,212,811)**		-	
			(390,371,522)		**(286,307,430)**
Funds Transferred to Consolidated Fund			**(90,883,773)**		-
Balance of Funds from Previous Period			**39,149,073**		-
Prior year adjustment			**(5,828,778)**		
Foreign Exchange Gain			**279,626**		-
Balance of Funds	2		**22,223,011**		**39,149,073**

National Chairman, NaCOVERC
Name: Dr. Amara Jambai
Signature
Date

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The following paragraph describes the main accounting policies applied consistently by the Parliamentary Service.

(a) Basis of preparation

The financial statements have been prepared on an IPSAS cash basis

(b) Revenue Recognition

All revenues generated are recognised on a cash basis. ie. When received by the Bankers/Mobile Network Operators.

(c) Non-Current Assets

All Non-Current assets are expensed immediately after the payments. However, an asset listing is maintained for asset tracking and management purpose. Hence, no depreciation is applicable.

(d) Funds in Transit

All fees collected via MNO's that are yet to be transferred to our bank account are disclosed as stated below:

	2021	2021
	Le'000	**Le'000**
Orange Money	**4,245,450**	**4,838,592**
Africell Money	**1,762,200**	**990,186**
	6,007,650	**5,828,778**

(e) Presentation

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(f) Income Tax

Withholding taxes are deducted from suppliers' and contractors' payments, but the onward payments are made to NRA at a future date, but the gross amount are expensed. Unpaid withholding taxes as at 31/12/2021 are as follows:

	Le
Unpaid WHT from previous period	3,556,649
Vaccination	540,853
Behavioural Management	234,077
Case Management	6,533,011
Operational Control	13,671,820
Isolation and Quarantine	301,071
Testing	5,645,184
	30,482,666

(f) Disbursement

Disbursements are recognized at the time the payments were made. This includes Advances made to Partners and Dicovercs/Recovercs for the various activities and operations. These funds are liquidated after use. Total unliquidated funds as at 31/12/20221 include:

	Le
Operational Advances and Imprests	13,560,732
Fuel	600,000
Case Management Activities	929,668
PIRCSM Activities	61,236
	15,151,636

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2. Bank Balances of Head Quarter

	2021	2020
	Le'000	Le'000
Operational Accounts		
United Bank for Africa	**2,319,339**	**11,791,159**
Sierra Leone Commercial Bank	**6,800**	**2,612,374**
Union Trust Bank - Operational Accounts	**536,985**	-
Eco Bank (SLL) - Operational Accounts	**294,439**	-
Government Restricted Accounts		
Union Trust Bank	**2,878,876**	**4,216,671**
Rokel Commercial Bank	**1,532,024**	**1,047,850**
Eco Bank (SLL)	**13,656,502**	**11,423,441**
Eco Bank (USD)	**998,045**	**2,228,800**
	22,223,011	**33,320,295**

Bank Balances of Dicovercs

Details	Amount	District
Balance as Per Cashbook	- 33,056,876.23	Bombali
Balance as Per Cashbook	19,744,135.67	Bonthe
Balance as Per Cashbook	257,532,613.74	Falaba
Balance as Per Cashbook	87,109.79	Kailahun
Balance as Per Cashbook	- 2,914,838.63	Kambia
Balance as Per Cashbook	623,656.00	Karene
Balance as Per Cashbook	5,535,982.50	Kenema
Balance as Per Cashbook	3,079,776.08	Koinadugu
Balance as Per Cashbook	66,785,506.20	Moyamba
Balance as Per Cashbook	1,002,380.60	Pujehun
Balance as Per Cashbook	4,667,716.77	Tonkolili
Balance as Per Cashbook	78,789,655.49	WAR
Balance as Per Cashbook	148,695,151.58	WAU
Balance as Per Cashbook	- 14,685,774.07	Bo
Balance as Per Cashbook	83,450.00	Kono
Balance as Per Cashbook	1,029,619.00	Port Loko

3. Revenue Generated

	2021	2021
	Le'000	**Le'000**
Enforcement Fines	**486,415**	**1,047,850**
Lab Testing Fees	**90,482,421**	**23,697,691**
Total Revenue Generated	**90,968,836**	**24,745,541**

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

4. **Disbursement**

	Vaccination	Behavioural Management	Case Mgt	Operational Control	Isolation and Quarantine	Surveillance	Testing	Total
Administrative Expenses	-	227,850	425,231	11,171,880	82,054	22,680	434,376	12,364,071
ASSETS	1,015,750	-	50,007,124	1,484,345	600	-	16,679,306	69,187,125
CONSULTANCY FEES	-	-	-	5,818,142	-	-	1,376,791	7,194,933
FEEDING	-	30,231	721,135	828,787	4,065,865	-	-	5,646,018
Front Line Staff EOSB	-	-	8,909,549	-	-	-	-	8,909,549
FUEL AND LUBRICANT	-	-	127,500	108,500	-	-	115,000	351,000
LODGING AND HOSPITALITY	-	2,250	17,580	839,544	2,482,476	-	-	3,341,850
MEDICAL EXPENSE	963,150	3,450,000	21,955,615	2,625,571	-	-	34,920,310	63,914,646
OTHER EXPENSES	-	-	1,200,383	709,531	-	-	33,600	1,943,514
PUBLICATION AND SENSITIZATION	66,200	4,715,522	175,314	15,550	-	-	-	4,972,586
REPAIRS AND MAINTENANCE	-	19,859	-	1,695,948	-	-	-	1,715,807

SALARY AND ALLOWANCES	4,545,846	8,033,706	33,902,491	92,944,818	2,723,665	15,262,297	23,419,893	180,832,716
TRAINING	109,393	-	88,800	116,870	-	-	103,394	418,457
TRAVELLING EXPENSES	705,808	507,050	446,490	12,801,858	39,965	-	163,354	14,664,525
WHT Payable				(26,926,016)				(26,926,016)
Imprests and Operational Advances				34,627,930				34,627,930
	7,406,147	**16,986,468**	**117,977,212**	**138,863,258**	**9,394,625**	**15,284,977**	**77,246,024**	**383,158,711**