Closing the COVID Accountability Gap: Leveraging Ebola’s Auditing Lessons in Sierra Leone

By Linnea Mills
In 2021, the International Budget Partnership published an assessment of 120 countries’ management of COVID relief, which found that too many governments were using the excuse of urgency to avoid being as transparent, accountable or inclusive as they could be. These shortcuts and limitations, however, are neither necessary nor inevitable. IBP’s report showcased notable instances in which governments acted swiftly to put in place adequate transparency around their policy responses, where accountability institutions — such as legislatures and supreme audit institutions (SAIs) — stepped up to provide effective oversight, and civil society organizations contributed information on the needs of the most vulnerable. In a series of briefs, we have taken a more in-depth look at these good practices — delving into government objectives in implementing the practices, the impacts achieved, and lessons that can be drawn from these practices for their replication in other countries. The main goal of these briefs is to provide governments with information on good practices in fiscal openness and accountability that they can incorporate into their own policies, to be implemented during periods of crisis and beyond.

This brief looks at the value of engaging in real-time audits in relation to an influx of emergency funding. The Audit Service Sierra Leone, the country’s supreme audit institution, has conducted real-time audits twice in the past few years: first, during the Ebola epidemic and then, more recently, during the COVID-19 pandemic.

These health emergencies both triggered government appeals for funding. As soon as Sierra Leone reported its first Ebola case in May 2014, the government appealed for support, which it received from a variety of sources, including Sierra Leoneans at home and abroad, businesses, donor countries and international organizations. From the World Bank Group alone, USD 132 million was received (Audit Service Sierra Leone, 2020a). When Sierra Leone was hit six years later by the COVID-19 pandemic, the country’s response efforts were largely dependent on external support. In April 2020, the government made an appeal for both local and international support, reaching out to development partners with a request for funding to cover a detailed budget amounting to USD 63 million (for year one) (Grieco and Yusuf, 2020).

These government appeals triggered the Audit Service Sierra Leone to commence real-time audits during both crises. This brief will focus on the impact of these audits and on what other countries can learn from the experiences of the Audit Service Sierra Leone.

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The Ebola-related real-time audit

A few months after the first case of Ebola was registered in Sierra Leone, the first audit commenced, covering the first six months of the outbreak. This was a real-time audit, as the audit was conducted while the government was responding to the outbreak.

The decision to conduct a real-time audit was based on an experience a few years prior that involved the celebration marking the 50th anniversary of Sierra Leone’s independence. With both the year-long independence celebration and the Ebola outbreak, the government had made a targeted appeal for funds. One of the learning points for Audit Service Sierra Leone from the audit of the government committee managing the 50th anniversary was that the committee should have conducted that audit much earlier, since it was found that the funds had not been managed properly. When the government appealed for Ebola-related funds, there was a public outcry for someone to keep an eye on the funds (Audit Service Sierra Leone, 2020a).

In practice, the real-time audit meant that as the government was receiving and spending money through the Ministry of Health and Sanitation, auditors were auditing those transactions. The audit was a transaction audit, focused on procurement, hazard payments, cash and bank management, and an internal control system. A full financial-statements audit would be carried out once the first set of accounts had been prepared by the National Ebola Response Centre.

The resulting Ebola audit found several deficiencies and irregularities, including inadequate controls over the disbursement of funds; it also found that procurement procedures had not been followed for a number of contracts undertaken by the Ministry of Health and Sanitation, going as far as to argue that there had been a complete disregard for the law on public procurement in an emergency situation (Audit Service Sierra Leone, 2014). The audit report was presented to the parliamentary Public Accounts Committee in February 2015.

The COVID-19 related real-time audit

At the start of the COVID-19 pandemic, the Ministry of Finance in Sierra Leone opened bank accounts and transferred funds. These funds were initially managed through the Emergency Operations Centre by a national interim coordinator, who was appointed by the president, but later the funds came under the aegis of the newly established National Coronavirus Emergency Response Centre (NaCOVERC) (Grieco and Yusuf, 2020).

In May 2020, the attorney general altered the country’s public financial management framework by publishing The Corona Virus Disease Emergency Fund Regulations. This suspended the application of the Public Financial Management Act of 2016 and the Public Procurement Act of 2016, but it did not provide any alternative legislation for managing public funds. The legal basis for the emergency response remained in limbo until August 2020, when the attorney general published the COVID-19 Public Emergency Response Coordination Regulations, 2020, which provided an alternative public financial management framework (Audit Service Sierra Leone, 2020b).
Due to the steady inflow of funds to manage the government’s response to the pandemic, the Audit Service decided to begin a real-time audit, giving independent assurance that funds were being used for their intended purposes. Prior to this, the auditor general had decided to issue a press statement to all users of public funds about the rules and regulations governing the use of money during an emergency. This was based on a lesson learned from the previous Ebola audit, in which the Audit Service had found that many auditees did not know (or claimed not to know) how spending rules applied during times of public emergency (AFROSAI-E, 2020).

The COVID-19 real-time audit was not a response to a request from any person or authority, but rather was instituted by the management of the Audit Service itself. In fact, the initiation of the audit was resisted by the government as it felt it was inappropriate for such audits to be conducted until the end of the period of emergency declared by the government. The government expressed its unwillingness to respond to the draft audit findings that had been submitted to it by the Audit Service (Bah C.A.M, et al., 2020).

The decision to commence a COVID-19 real-time audit meant delaying other, previously planned audits since key staff were needed for the COVID-19 audit (AFROSAI-E, 2020). In that sense, there was a tradeoff involved and the Audit Service made a judgment call to reorganize its work program, prioritizing the real-time audit over audits of public funding that carried less risk or were less time-bound. Other than that, it did not have any organizational impact on the supreme audit institution (SAI). Since a real-time audit is simply an audit that is happening while the money is being spent, as opposed to the year after, there are no special staffing requirements. Overall, the Audit Service had the staffing capacity it required and did not need to request any additional support from outside the organization.

Apart from focusing on the NaCOVERC and the Ministry of Health and Sanitation, the audit also covered various other ministries and agencies, including the Office of National Security and the National Commission for Social Action (Audit Service Sierra Leone, 2020b). While the general objective of the real-time audit was to support the government’s efforts in responding to the pandemic and to give assurance that the funds were being used as intended, more specific objectives were to establish whether:

- Cash donations received were receipted and banked promptly and intact.
- Donations received in-kind were stored, issued, recorded and reported transparently.
- Fuel, assets and stores were managed properly.
- Expenditures were undertaken with due regard to law, economy and efficiency, and supported by sufficient and appropriate evidence.
- Procurement of goods and services was done in accordance with the relevant legislation.
- Value-for-money was obtained in procurement and contracts management.
- The correct number of allowances was paid to the right health-care workers and on time.
- The operations of the NaCOVERC were in agreement with its mandate.
- There was any other matter requiring the auditors’ attention (Audit Service Sierra Leone, 2020b).

Due to the attorney general’s alteration of the legal framework described above, during the period covered by the COVID-19 audit there was an absence of clear public financial management regulations, despite Le92.1 billion ($8.7 million) of public funds for COVID-19 response efforts being expended by the NaCOVERC and other government institutions (Audit Service Sierra Leone, 2020b).
The COVID-19 audit found evidence of irregularities including unauthorized spending, inflated prices, breach of contract and payroll violations. Among the irregularities were four dozen missing laptops, the procurement of luxury vehicles for response officials and a missing generator donated to the NaCOVERC by the Chinese government. The audit also found that staff at the Ministry of Health and Sanitation had used funds allocated by the government to fight COVID-19 to instead procure high-end gadgets (with no bearing on the emergency response) for personal use (Audit Service Sierra Leone, 2020b; Cham, 2020b).

The impact of real-time audits

The two real-time audits that were undertaken during times of health emergency in Sierra Leone have had some notable impact.

In the case of the 2014 Ebola audit, the government experienced a public-opinion backlash in February 2015 when the audit report was presented in Parliament and became a public document. Citizens were angry that their fears of mismanagement of funds had been confirmed, and calls came for people to be fired and jailed for the serious breaches the audit had unearthed. The Public Accounts Committee was forced to, for the first time, allow TV cameras for a live broadcast of the public hearing.

The government, at risk of losing some promised financial support from donor countries, hired a locally based international audit firm to act as fiduciary agents, which led to better management of the funds. Furthermore, the Audit Service gained prominence through the real-time audit and was able to recover funds that had been donated to the country before the money had been spent (Audit Service Sierra Leone, 2020a).

The real-time audit of the COVID-19 funds also received responses from various audiences. As with the Ebola audit, the findings of mishandling of public funds sparked outrage among Sierra Leoneans, many of whom took to social media to vent their frustrations (Cham, 2020b). Civil society in Sierra Leone has been a key audience of the COVID-19 audit, especially those 11 civil society organizations (CSOs) and NGOs belonging to the Public Financial Management Consortium. These organizations closely followed the COVID-19 real-time audit and made interventions in the media at various points in the process. When the attorney general, as described earlier, altered the public financial management framework in May 2020, the consortium issued a joint press release in protest of The Corona Virus Disease Emergency Fund Regulations, arguing that a state of public emergency did not justify the suspension of laws that seek to promote accountability. Later, when the real-time COVID-19 audit had been published, the consortium issued another press release urging Parliament to act decisively on the audit findings (Conteh, 2021). The consortium has also disseminated audit findings in the media, which has helped give visibility to the issue of financial misconduct. Lastly, in terms of Parliament, the Public Accounts Committee held hearings on the COVID-19 audit report in January 2021 (Sesay, 2021) and published a follow-up report.

The full impact of the audit is not yet known as the consequences are still playing out. The most concrete result to date has been the country’s Anti-Corruption Commission, which is using the audit findings to begin investigations of corruption.
Three top officials from the NaCOVERC were detained in December 2020 (Cham, 2020b). A press release issued by the Anti-Corruption Commission in January 2021 confirmed that it had received money as a settlement for the laptops that had been found missing from the NaCOVERC (Anti-Corruption Commission, 2021).

In a very controversial development that was not directly linked to the real-time audits of the COVID-19 funds, in November 2021, the government suspended the auditor general and her deputy claiming that the Audit Service had recruited private audit firms in violation of the country’s procurement law. The government established a tribunal to investigate the violation of procurement rules by the Audit Service. Many critics have questioned the suspension of the auditor general as they feel that the move is politically motivated and meant to deflect attention from findings reported by the Audit Service on mismanagement of government finances.

Lessons from Sierra Leone

Several lessons on how to conduct real-time audits can be learned from the experiences of the Sierra Leone Audit Service. These offer learning points for supreme audit institutions and financial accountability actors in other countries.

In an interview in July 2020, the auditor general of Sierra Leone, Lara Taylor Pearce, stressed the importance of the supreme audit institution having strong legal mandates (AFROSAI-E, 2020). In Sierra Leone, this mandate is enshrined in the country’s 1991 Constitution (Section 119), which gives the Audit Service the ability to take on audits as it sees fit, i.e., it is not bound to any particular type of audit. Apart from the annual auditor general’s report, the Audit Service can issue audit reports as and when it deems appropriate. Consequently, the Audit Service had a mandate that enabled it to take on real-time audits during both recent health crises. This mandate was particularly important in the context of the public health emergencies as it meant that the Audit Service could insist on the cooperation of government officials, despite the demands on its time posed by the emergency context.

Having a strong institutional leadership together with a strong legal mandate can further strengthen an SAI’s ability to undertake real-time audits during a public emergency. In Sierra Leone, the auditor general is regarded as a force to be reckoned with, which has enabled the institution to make decisions to undertake special audits, including the Ebola and COVID-19 real-time audits (AFROSAI-E, 2020).

What’s more, an SAI’s standing may be strengthened through support from other stakeholders. Taylor Pearce stressed how SAIs and the broader auditing function can be reinforced when the community of donors and international organizations insists on the importance of both. She also pointed to the gains that can be reaped from reaching out to both civil society and the media. As mentioned in the previous section, the Audit Service received support from civil society in Sierra Leone throughout the process of conducting the COVID-19 real-time audit (AFROSAI-E, 2020).

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1 However, delays by the Parliament in tabling the audit reports subsequently delay the process of making these reports available to the public. For example, it took three months for the Ebola real-time audit to be published after it had been submitted to the Parliament (AFROSAI-E, 2020).
2 The mandate of the Audit Service has recently been challenged, resulting in the second COVID-19 real-time audit being delayed for several months.
The final enabling factor is having a flexible approach, being ready to swiftly shift priorities. According to Taylor Pearce, the SAI must remain relevant and must be ready to move quickly. The ability to be flexible, in turn, is affected by both the strength of the SAI’s legal mandate and its institutional leadership (AFROSAI-E, 2020). In terms of institutionalizing flexibility, the Audit Service learned to always make provisions for special audits in the annual audit plan. Building flexibility into the work program in this way enables the SAI to have the agility to commence real-time audits whenever circumstances require.

Practical insights gained by the Audit Service from its experience conducting real-time audits during public health emergencies include how to deal with government officials and other auditees and how to accommodate the needs of its own staff.

In times of emergency, when circumstances require unusual spending behaviors, auditors can work closely with the government to build and protect the integrity of systems in real time, as opposed to finding inefficiencies and problems after the fact. This can help public bodies do their jobs more effectively and prevent mismanagement. In turn, a better-run system can help save lives during emergencies. (One example: unearthing bottlenecks in vaccine distribution can be dealt with immediately.) This was the rationale the Audit Service used to convince the government to take the time to collaborate with auditors during an emergency.

Another way of convincing auditees to take the time needed to comply with audit requirements during the Ebola and COVID-19 public health emergencies was for the staff at the Audit Service to be as flexible and accommodating as possible. A real-time audit during an emergency is not congruent with the regular workweek, and the Audit Service staff was willing to meet auditees, such as medical doctors, on weekends, during breaks and in locations convenient to them.

Finally, health emergencies are frightening and affect auditing staff in the same way they affect society at large. During the Ebola epidemic, when the case fatality ratio was extremely high, staff at the Audit Service was fearful of going to work, let alone going out into the field. The institution lost one of its senior auditors to Ebola during that crisis, and this required empathy from institutional leadership. Fieldwork, which had previously been mandatory, became elective, and sanitation and other protocols were strictly enforced. Conducting a real-time audit in these circumstances meant that auditors did fieldwork alone and had to be selective in their evidence-sampling strategy.

To conclude, the case of the Audit Service Sierra Leone shows that effective real-time audits are possible during emergencies if the SAI has the necessary mandate and institutional clout and if it approaches the task with a flexible and accommodating mindset. Real-time audits, in turn, can be particularly beneficial in conjunction with an emergency response when the public financial machinery is not functioning appropriately.
References


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