BOTTLENECKS IN THE DISBURSEMENT OF GOVERNMENT OF SIERRA LEONE FUNDS TO HEALTH AND WATER RESOURCES SECTORS REPORT

"Welbodi en wata moni bizness"

Provide Adequate Drug Supply

Adequate Water Supply and Sanitation

Provide more Money for Health, Water and Sanitation

Build more Health Centres

Protection for Health Workers

Train more Health Workers

Submitted by Budget Advocacy Working Group (BAG)

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ABBREVIATIONS

AGD	Accountant General Department
CA	Chief Administrator
CMO	Chief Medical Officer
CSOs	Civil society organisations
DMO	District Medical Officer
DHMTs	District Health Management Teams
FO	Finance Officer
GoSL	Government of Sierra Leone
INGOs	International non-governmental organisations
LCs	Local councils
LGFD	Local Government Finance Department
MDAs	Ministries, departments and agencies
MDGs	Millennium Development Goals
MoFED	Ministry of Finance and Economic Development
MoHS	Ministry of Health and Sanitation
MoEPWR	Ministry of Energy, Power and Water Resources
NGOs	Non-governmental organisations
NHA	National Health Accounts
PETS	Public Expenditure Tracking Survey
PM	Programme Manager
PS	Permanent Secretary
RCHP	Reproductive Child Health Programme

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EXECUTIVE SUMMARY

Introduction

Planning and budgeting in the health and energy sectors has undergone significant improvement in Sierra Leone. This has led to the development of the National Health Sector Strategic Plan (2010-2015) and Joint Programme of Work and Funding (2012-2014), with a mid-term and annual work plan for the past four years. This improvement in planning and budgeting should have reflected improvements in service delivery at all levels. However, challenges with the disbursement of funds to the health and energy sector persist. Hence, the ultimate aim of this study was to identify the bottlenecks relating to disbursement of funds from the Ministry of Finance to the Ministry of Health and Sanitation, Ministry of Energy and Water Resources[1] and the Councils. The study further assessed the effects of these bottlenecks and recommended actions to improve on disbursement of funds to the health and water sectors, with the view of improving health and water service delivery.

Methodology

The study was not an assessment of the overall budget process, but an assessment of the budget *disbursement* process. The study included a desk review of financial policies and budget profiles for the period (2010 to 2013 financial years) and a qualitative investigation of the case study. The case study includes the Ministry of Health and Sanitation (MoHS) and eight selected local councils (LCs) (Districts and City Councils). They were selected to reflect government's disbursement processes to the health sector. As part of the data collection, key stakeholders from Ministry of Finance and Economic Development (MoFED), Local Government Finance Department (LGFD), MoHS, Ministry of Energy, Power and Water Resources (MoEPWR), LCs, District Health Management Teams (DHMTs) and hospitals were interviewed to solicit information that complemented, validated and updated what was obtained from the desk review.

Summary of key findings

- There were timelines for planning and budgeting but no clear timeline for the disbursement of funds to ministries, departments and agencies (MDAs)
- Allocations were made on a quarterly basis from 2010 to 2012 and half yearly basis in 2013
- There were late disbursements of funds to the health and energy sector throughout the period under review
- One of the key reasons for late disbursement of funds was unavailability of funds at central government
- The disbursement processes were integrated and decentralised
- The current disbursement processes affected timely disbursement of funds to the health sector
- Public Expenditure Tracking Survey (PETS) FORM I and II were the key disbursement tools, purposefully introduced to ensure transparency and improved participation in the budget

[1] The bottlenecks of late disbursement of funds study was done when the Ministry of Energy and Water Resources were not separated.

execution process so as to involve Programme Managers in the execution of their activities (this was not the case under the previous budgeting system)

- Communication gap / weak information flow from MoFED to LCs affected the timely disbursement of funds
- There was incomplete disbursement of funds from MoFED to MoHS , MoFED to MoEPWR and LCs. Disbursements in most of the quarters were way below budget allocations, implying that some of these activities were underfunded
- Budgetary allocations to the health and energy sectors were limited compared to other principal sectors for the period under review
- Capacity of finance officers in financial management affected the timely disbursement of funds from LCs at DHMTs/hospital levels
- There were no cash flow projections by MoFED to provide adequate and timely commitments of grants to MDAs. As a result, MoFED could not provide adequate and reliable multi-year commitments of grants to meet the required needs of MDAs

Summary of key recommendations

- MoFED should ensure a proper and realistic cash flow projection for MDAs on a quarterly basis. Mere submissions of budget ceilings to MDAs do not imply cash flow projections
- Greater efforts are required to enforce uniform accounting standards. There were many inconsistencies in budget data particularly for DHMTs and hospitals, making documentation of financial records difficult. Strong commitment to enforce the use and compliance with the accepted accounting standards is required
- MoFED should expand the scope of generating more revenue to meet the annual budget to ensure timely and complete disbursement of funds to MDAs
- The PET FORM I and PET FORM II should be combined into a single PET FORM. Under a system of quarterly cash release, there is no reason why PET FORM I and PET FORM II need to be approved separately. The second stage (PET FORM II) of the current process is therefore redundant, and serves only to increase the room for discretion, delay the process, reduce predictability and encourage MDAs to foster informal personal connections with individuals
- Strengthen financial supervision: financial monitoring and supervision should be done in a more organised and regular (at least quarterly) manner jointly by the Directorate of Financial Resources in the MoHS, and LGFD at MoFED

Conclusions

It is expected that the authorities will take the findings and recommendations of this study as a contribution from the Budget Advocacy Working Group for the proper management of the government budget excution process. The recommendations are worth implementating to ensure effective and timely disbursement of funds, that will in turn improve health care and water service delivery in Sierra Leone.

1. INTRODUCTION

Improving the health and sanitation of the nation is one of the key priorities of the Sierra Leone Government. The objectives of the National Health Policy were tuned to the President's Agenda for Prosperity, the Ouagadougou Declaration, the Millennium Development Goals (MDGs) and the active involvement of partnership with other stakeholders in the provision of health services.

The MoHS and its partners over a six year period have developed strategies to attain the health related MDGs and to ensure that health services are made available, accessible and affordable to all people without discrimination. These strategies cover leadership and governance, health service delivery, human resources for health, health financing, medical products and technologies and the Health Information System.

The Budget Advocacy Working Group (BAG) of health, water and sanitation NGOs (World Vision International, Save the Children International, MamaYe/ Evidence for Action, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN), Health for all Coalition, WASHNET and Health Alert), in consultation with the Ministry of Health and Sanitation, LGFD and Decentralisation Secretariat, resolved to conduct **an assessment of the effectiveness and efficiency of the disbursement procedures of the MoFED to the MoHS as well as LCs.**

Planning and budgeting in the health sector has undergone significant improvement. This has led to the development of the National Health Sector Strategic Plan (2010-2015) and Joint Programme of Work and Funding (2012-2014), with a mid-term and annual work plan for the past four years. This improvement in planning and budgeting should have reflected on service delivery at all levels. However, challenges with the disbursement of funds to the health and energy sector persist. Hence, the ultimate aim of this study was to identify the bottlenecks relating to disbursement of funds, assess the effects and recommend actions to improve on disbursement of funds to the health and water sectors with the view of improving health and water service delivery.

2. METHODOLOGY

The two month study was not simply an assessment of the overall budget process, but an assessment of the *disbursement* process of the budget execution. There were in effect two key causal relationships around which the analysis was centred: the first being determinants of disbursement bottlenecks from MoFED to MoHS, MoFED to LCs, and LCs to District Health Management Teams (DHMTs)/hospitals. The second is the effect of the bottlenecks on budget execution particularly to the health and energy sector. Specific answers were provided to the following questions:

I. What were the bottlenecks affecting disbursement of funds?
II. What were the effects of late disbursement on budget execution?
III. What feasible measures should be adopted to address these disbursement bottlenecks?

Methodologically, the study included desk review of financial policies and budget profiles for period 2010 to 2013 financial years (FYs) and a qualitative investigation of the case study. The case study included MoHS and eight selected LCs (Districts and City Councils). They were selected to reflect government's disbursement processes to the health sector. As part of the data collection, key stakeholders from MoFED, LGFD, MoHS, LCs, DHMTs and hospitals were interviewed to solicit information that complemented, validated and updated what was obtained from the desk review. The assembled information was analysed based on careful study of the disbursement processes, financial data, performance reports of MoFED, MoHS, the sampled LCs and inferences from the interviews used to complete the report.

The results of this study should be viewed with a small number of limitations in mind:

- Weak documentation at some levels especially at the DHMTs, hospitals and some LCs visited
- Availability and accessibility of financial documents at all levels was a challenge. This prevented us from making some in-depth analysis of the completeness of disbursement as the figures kept changing across the MDAs.

3. FINDINGS

This chapter presents the findings of the study, issues that were revealed during the desk review and inferences from the key informant interviews in the case study. The study revealed bottlenecks in the disbursement of funds from MoFED to MoHS, MoFED to MoEPWR, MoFED to LCs, and LCs to DHMTs/hospitals. It mirrored late disbursement issues with specific reference to timeliness, completeness, capacity, administrative challenges and their associated causes, extent and effects on the health and energy service delivery.

The available data indicated much larger problems with late disbursement of funds within LCs, DHMTs and hospitals, which were the service delivery points, where late disbursement were significantly higher than the MoHS level.

This section further analyses the timeliness and completeness of transfers to MoHS, MoEPWR and LCs, DHMTs/hospitals with a view to establishing whether or not the funds transferred to these MDAs were timely, complete and to ascertain whether or not the allocated funds were actually released to them.

3.1. Unavailability of funds at central government

The study revealed that inadequate revenue collection made it difficult for the central government to allocate funds for both recurrent and non-recurrent expenditure at the same time. Overall, the main challenge to reliability for MDAs' expenditure commitments was the availability of cash. This was also revealed by the *IPFMRP review*[1] report. This manifests itself in a high level of arrears which occur when the Bank of Sierra Leone cannot honour printed cheques, and invoices cannot be processed by the Accountant General Department (AGD) because of cash shortages.

On-going evidence[2] of progress ''…suggests that cutbacks in the quarterly releases remained large thus leading to mounting unpaid expenditure bills throughout the second half of 2012 (the stock of domestic arrears equal to 15% of total expenditure in 2012, from 16% in 2011 and 9% in 2008) which in turn eroded the credibility and the predictability of the budget process further." (PEFA report, 2014 v-3.0)

3.2. The effects of the current disbursement process on timely disbursement of funds to the health sector

Disbursement of funds is the release of funds from an entity (MoFED) to appointed beneficiaries (MoHS, MoEPWR, and LCs) for onward implementation of project activities. These funds are usually in the form of loans, grants, or a mixture of both. The disbursement process involves government making a commitment to release funds after parliament has approved the MDAs' request for disbursement or replenishment of funds.

[2] Mid Term Supervision Mission of the Sierra Leone Integrated Public Financial Management Reform Project carried out 25th -27th March 2013 (paragraph 14)

3.2.1 Overview of the disbursement process of funds

Budget execution starts with appropriation of the budget. Parliament is responsible for approving the spending of government funds. It discharges this authority through the passing of an appropriation bill, which authorizes MoFED to execute the budget. The bill once approved becomes an appropriation act. There are legal limits to which the minister must comply. Any additional expenditure required by a particular vote must be authorized by parliament through a supplementary appropriation.

The budget volume, which is submitted to parliament to support the appropriation bill, sets out more detailed expenditure breakdowns for each vote. These breakdowns provide an administrative control on spending by vote controllers but are not legislated limits. The MoFED may approve changes to these breakdowns within the budget year without reference to parliament, providing that such changes do not breach the legislated vote amounts.

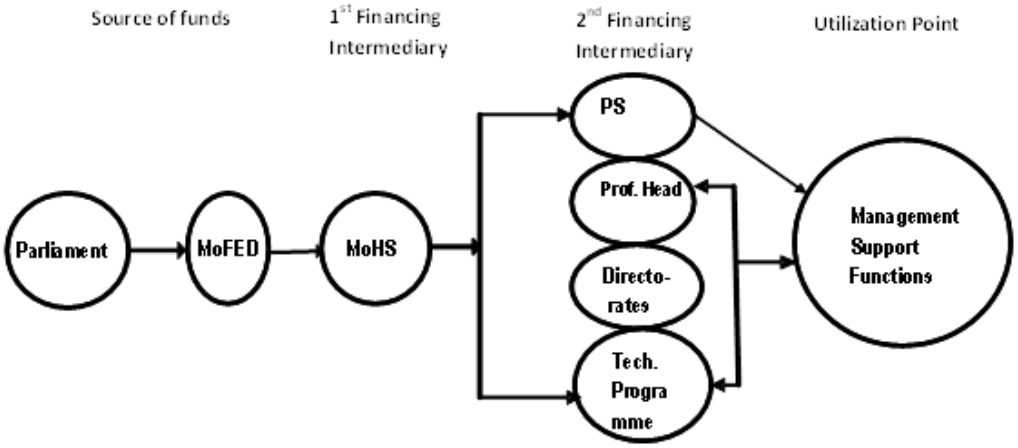
3.2.2 The disbursement process from MoFED to MoHS

The directorates and technical programme of MoHS prepare their annual work plans, segmented into quarters across the year, and submit to Budget Bureau. Budget Bureau forwards these plans to Financial Secretary after processing. MoFED consolidates these plans into national annual budget estimates which serve as reference for the implementation of all activities for which funds are to be disbursed. MoFED then takes the budget framework paper to cabinet for approval. Cabinet reviews and authorizes the detailed budget framework paper. After approval, cabinet then tables the detailed budget estimates to parliament, which is done by the Minister of MoFED. Parliament approves the annual budget by passing the appropriation bill into law.

The criteria required to access funds by MoHS and LCs are as follows:

- Availability of annual work plan
- Timely retirement of previous quarterly liquidations / returns
- Timely submission of technical progress reports
- Completion of PETS FORM I & II

Figure 1: Description of disbursement of funds to MoHS



Note: **PS:** Permanent Secretary or Vote Controller; **Prof. Head:** Professional Head

After passing the appropriation bill into law by parliament, this gives MoFED the mandate to transfer quarterly allocations to MoHS as per the approved amounts in the budget.

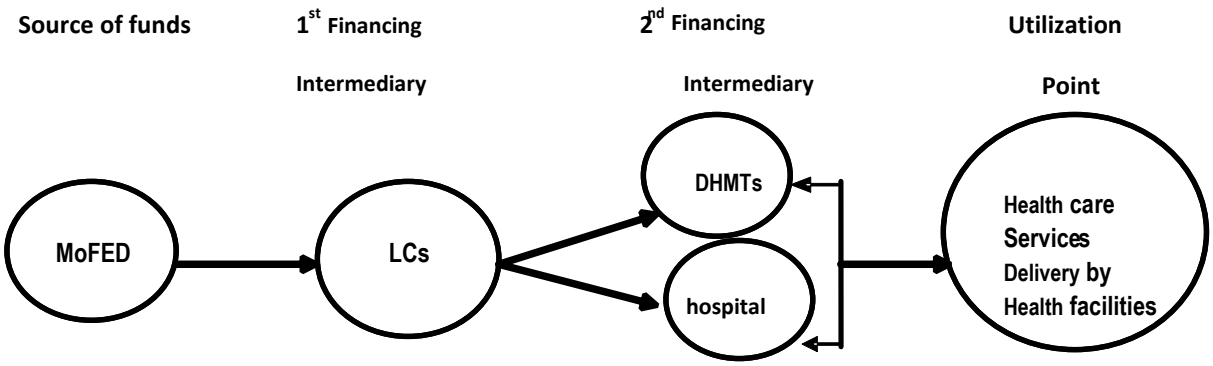
Immediately after MoHS receives allocations from MoFED, commitments are made by completing PETS FORMs. Directors and Programme Managers initiate the request by completing PETS FORM I. This form seeks the release of funding by line items of programmes for the quarter. It authorises the Directors and Programme Managers to plan expenditures up to the allocated amount. PETS FORM I is initiated by the Programme Managers, certified by the Professional Head (Chief Medical Officer), authorised by the Vote Controller (Permanent Secretary) and approved by the Minister of Health and Sanitation. The completed form is forwarded to the Financial Secretary at MoFED for processing and onward release of the quarterly allocation.

PETS FORM II is the authorisation form, which is prepared after PETS FORM I had been certified and approved by the Financial Secretary. The PETS Form II is the entry point for transactions to the accounting system and triggers the recording of both commitment and payment in the system. This form bears most of the attributes of PETS FORM I except that it is prepared alongside the commitment control form and payment voucher and forwarded directly to the AGD for further processing.

PETS FORM II is also initiated by the Programme Manager, certified by the Professional Head (Chief Medical Officer), authorised by the Vote Controller (Permanent Secretary) and approved by the Minister of Health and Sanitation. After the completion of PETS FORM II, MoHS then submits the PETS Form II to the customer care section at the AGD for processing. If certified, AGD submits to the Minister of Finance for approval. The Minister of Finance then approves and authorises AGD to effect payments. AGD prints and signs all payment cheques and then submits to the Bank of Sierra Leone. The Bank of Sierra Leone remits all non-procurement funds to MoHS respective bank accounts. All procurement funds are paid directly to contractors' accounts.

3.2.3 Description of disbursement of funds from MoFED to LCs

Figure 2: Description of disbursement of funds/grants to LCs



3.2.4 Disbursement of funds from LCs to DHMTs/hospitals

After passing the appropriation bill into law by parliament, the Financial Secretary of MoFED authorises the Budget Bureau to release quarterly transfers to LCs. The Financial Secretary then authorises LGFD (which is charged with the responsibility of processing transfers) to process transfers to LCs by preparing PETS FORM I and II at least within seven (7) working days. These transfers for devolved functions and administrative expenses are paid directly into the appropriate bank accounts of the respective LCs or contractors where procurements are made. LGFD provides LCs with quarterly payment schedules, stating the amount LCs should expect for each grant per quarter. Further, the quarterly payments are also followed by a detailed memorandum from the LGFD, clearly explaining the amount of funds assigned for each component of a particular function where applicable. LCs can only access resources for subsequent quarters from LGFD if they are compliant with the conditions attached to the previous grant and appropriate acquittals made.

Development funds (donors) are transferred directly into the respective sector accounts of the LCs. The LCs have bank accounts for their devolved functions to ensure timeliness and predictability of transfers. Donor (Reproductive Child Health Project (RCHP)) funds are slated to be transferred on the 15th of the first month of each quarter.

PETS FORM I & II perform the same functions with respect to request and authorisation at MoFED to MoHS. They differ in relation to personnel initiating, authorising and approving for the release of funds. For instance, at DHMT/hospital level, PETS FORM I & II are initiated by focal persons, approved by the District Medical Officer (DMO) or medical superintendent and then submitted to LCs for authorisation and payment.

At the councils, the Development and Planning Officers verify whether the requests are in line with the approved budget and forward PETS FORMS I & II to the Finance Officer (FO). The FO certifies and then forwards to the Chief Administrator (CA) and Mayor/Chairman for approval and the release of funds.

3.2.5 Description of the flow of PETS FORM I & II

The main purpose of the introduction of the MTEF/PETS FORMs I & II was to ensure transparency and improved participation in the budget execution process so as to involve Programme Managers in the execution of their activities. This was not the case under the previous budgeting system.

Figure 3: PETS FORM flows from MoHS to MoFED

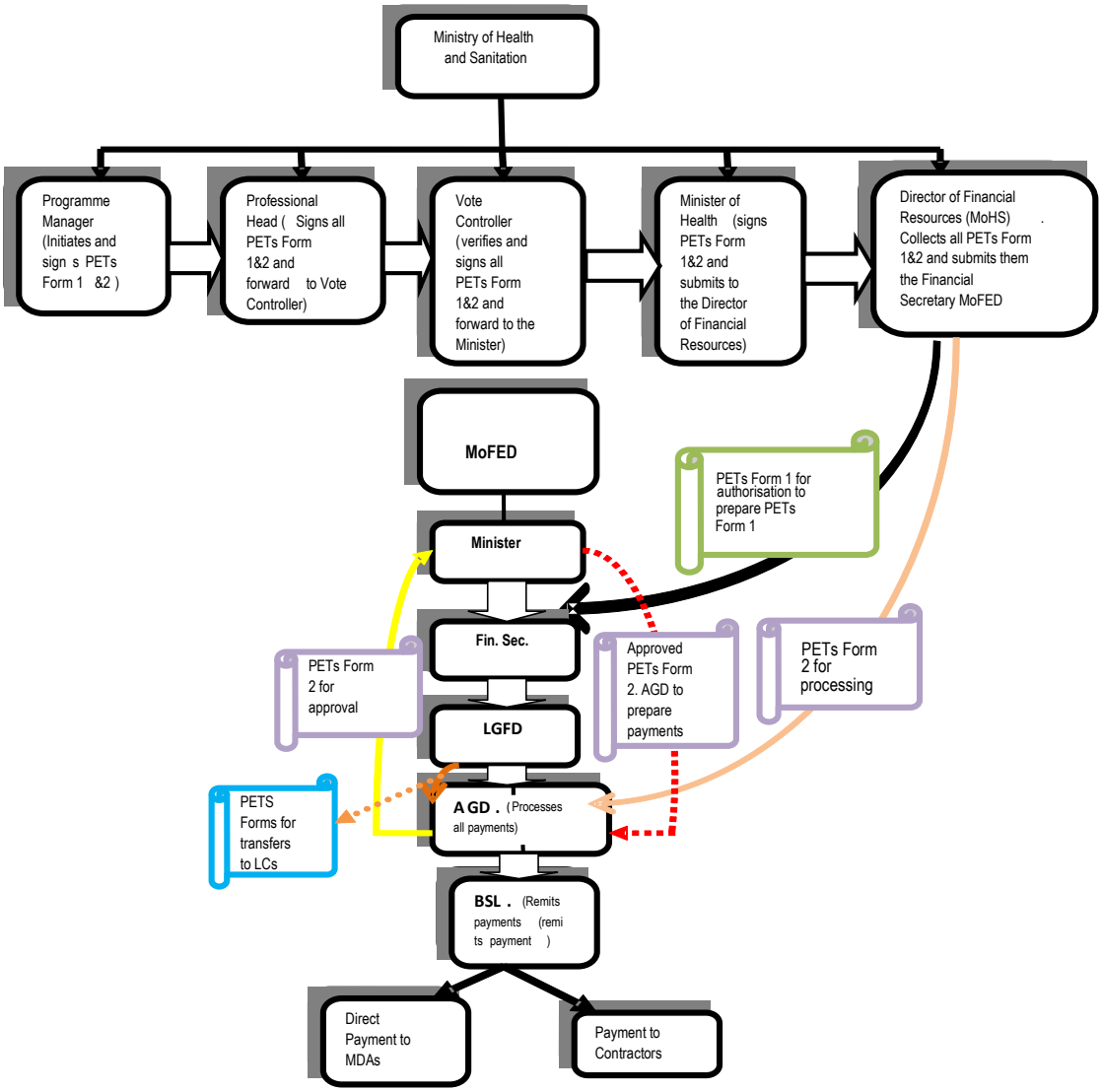


Figure 4: PETS FORM flows from DHMTs/hospitals to LCs

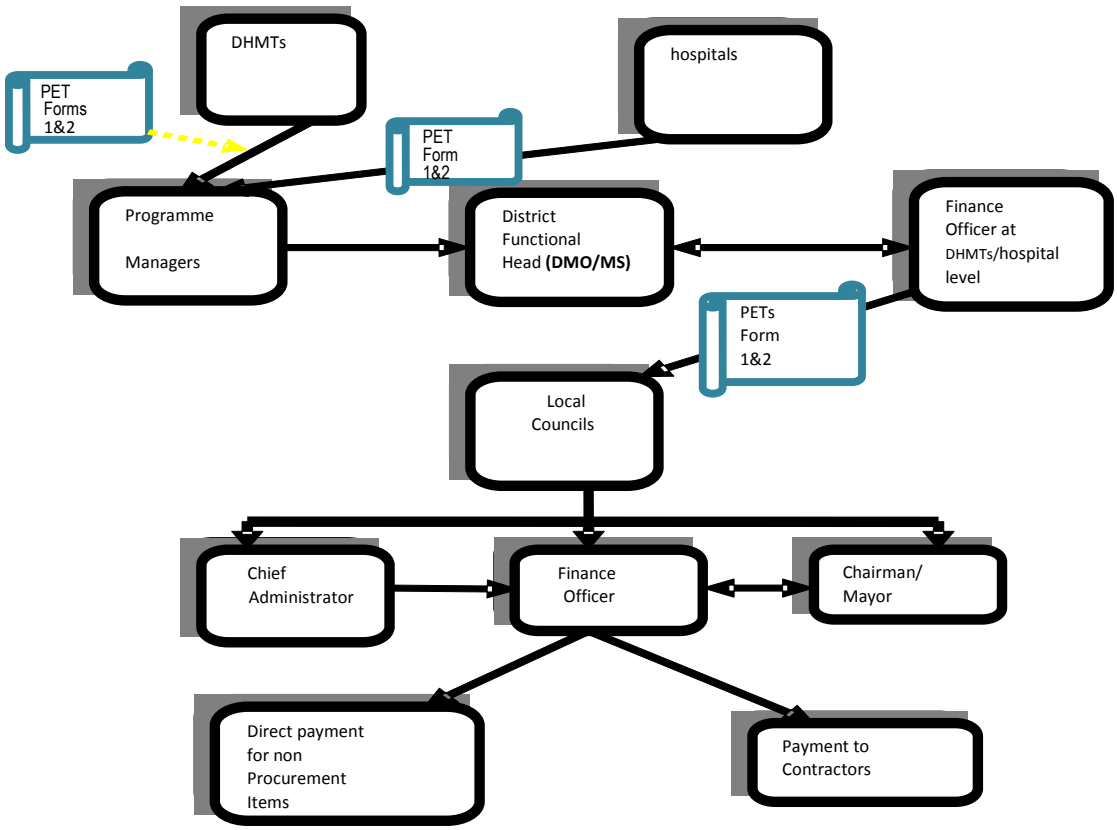
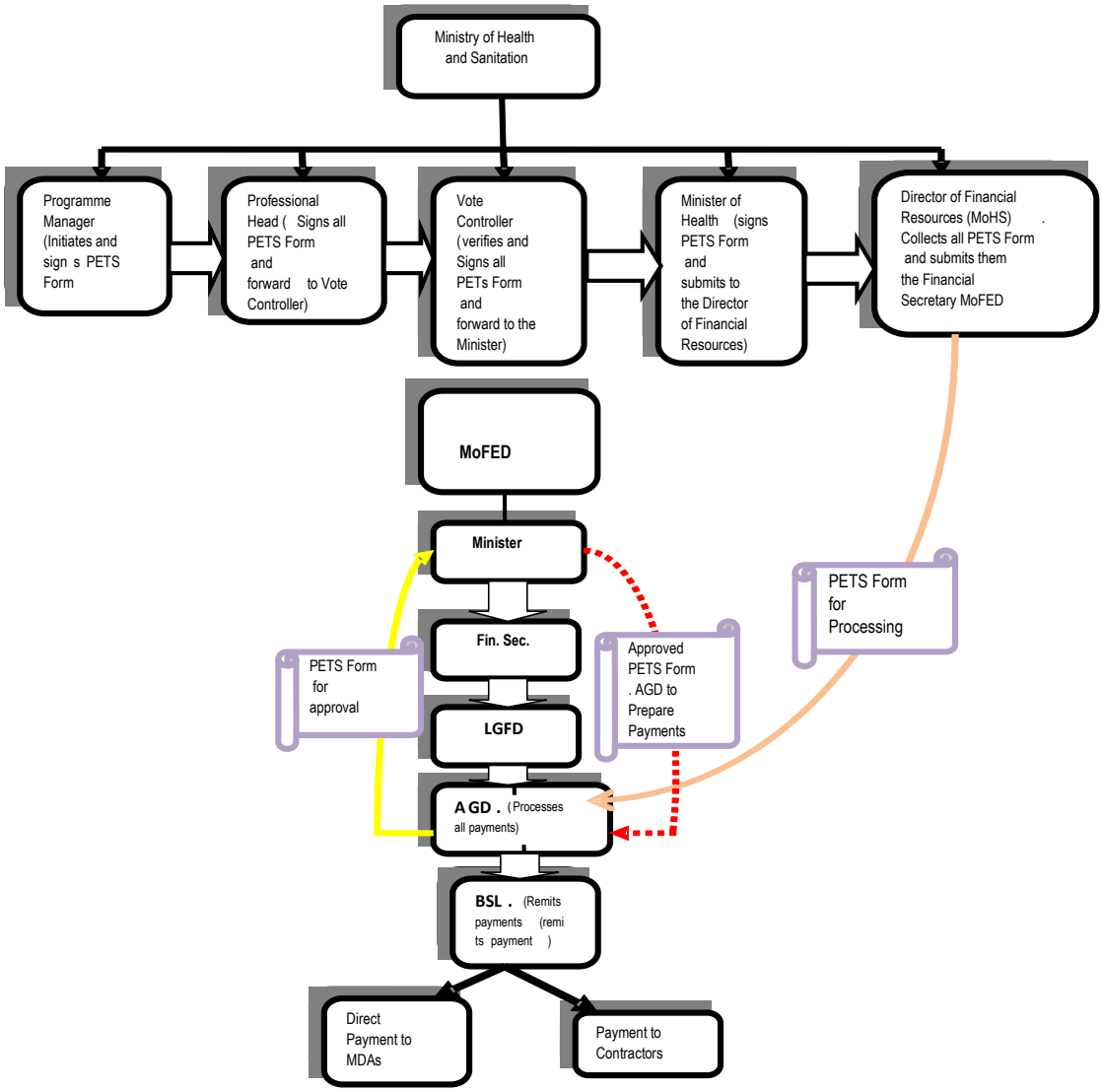


Figure 5: Revised PETS FORM flows from MoHS to MoFED



The PETS FORMs are the main tools that trigger the release of funds being certified, authorised and approved at all levels (e.g. at MoHS and MoFED). Figure 3 (above) shows that this chain is rather protracted. Despite being designed with the aim of effecting internal control, the duration of the disbursement process was not given much priority. To remedy this situation, it could be appropriate for PETS FORM I & II to be collapsed into a single form. If this is achieved, the disbursement chain may be as in figure 5 above with the same internal controls maintained.

3.2.6 Key stakeholders in the disbursement chain and their associated bottlenecks

Table 1: Stakeholders participating in the disbursement chain

Stakeholder	Bottlenecks	Reasons
1. Ministry of Finance and Economic Development (MoFED)	➢ Unavailability of funds ➢ Late release of transfers/allocations ➢ Too much bureaucracy ➢ Unavailability of clear legislative timelines for the processing of PETS FORMs and transfer of funds to MDAs ➢ Delay in approving PETS FORM I & II	**Unavailability and late release of transfers/allocations**: inadequate revenue collection makes it difficult for the central government to allocate funds for both recurrent and non-recurrent expenditure at the same time. Their priority is salaries, and later grants. **Unavailability of clear legislative timelines:** there are no definitive legislative processing timelines for the processing of disbursement tools. For example, that the PETS FORM should be processed within X number of days at X level. **Too much bureaucracy:** delay in approval of allocation was attributed to the lengthy and complex disbursement processes. The PETS FORMs go through a host of administrative personnel for the duplicated functions of certification, authorisation and approval at all administrative levels. E.g. MoHS Programme Manager (initiates) → Chief Medical Officer (certifies) → Permanent Secretary (authorizes) → Minister (approves). These same functions are duplicated for the same document at MoFED. Though these organs were established for efficient devolved functions and internal controls, the absence of administrative processing timelines and the number of stakeholders involved renders the process protracted and cumbersome.
2. Ministry of Health and Sanitation (MoHS)	➢ Delay in approving PETS FORM I & II ➢ Delay in submitting PETS FORM I & II ➢ Too much bureaucracy ➢ Unavailability of clear legislative timelines for the processing of PETS FORMs	**Delay in approving and submission of PETS FORMs I&II**: accountability is a criterion for previously disbursed funds before additional tranches are released to MDAs. The process is rigorous and time consuming. Moreover, MDAs must abide by all rules and regulations for disbursement of funds, otherwise failure to which may lead to withhold of release. The existence of intermediary institutions (suppliers) between MoFED and MoHS has led to delays compounded by protocols or inadequacies on the side of these suppliers, especially in terms of documentation making remittances difficult and error prone.
3. Local Council authorities (Mayor, chairman, Chief Administrator,	➢ Bureaucracy ➢ Unavailability of legislative timelines ➢ Delay in approving PETS FORM I	**Bureaucracy**: the decentralisation was purposively introduced in order to increase the mandate of LCs in making decisions on health care service delivery and to encourage the active participation of the users of the services. However, this has led to too

Stakeholder	Bottlenecks	Reasons
Finance Officer)	& II	much bureaucracy. Due to its participatory nature, many stakeholders are involved in decision making and administrative processes. For example, complementary NGOs and civil society organisations form core decision making committees such as procurement, budgeting committee and the like. The PETS FORM goes through a host of administrative personnel for the duplicated functions of certification, authorization, approval at all administrative levels. Unlike MoHS to MoFED level where Budget Bureau, Financial Secretary, and AGD are concerned; MoFED to LCs has LGFD and AGD inclusive in the disbursement process, thereby increasing the bureaucracy in the disbursement of funds.
4. Programme Managers	➢ Late submission of request ➢ Late submission of technical progress reports ➢ Late submission of liquidations/returns	
5. District Health Management Teams/hospitals	➢ Weak capacities in financial management ➢ Inadequate finance staff ➢ Irregular and weak supervision and monitoring ➢ Weak documentation	**Weak capacities in financial management, inadequate finance staff, weak documentation:** the government should continuously build the capacity of the finance staff through training and exposure to financial management. Weaknesses were evident in their inconsistencies in record keeping and filing, weak qualifications, insufficient finance officers and inadequate knowledge in effective and efficient financial management. **Irregular and weak supervision:** supervision was reliant on the availability of funds rather than periodically. This undermines the credibility of supervision as it will not be efficiently and effectively coordinated and conducted.

3.3. Late disbursement of funds

3.3.1 Extent of late disbursement of funds

During the study, the timelines of transfers of funds from MoFED to LCs were observed by quarters for the period 2010 to 2012, and half yearly for the year 2013.

Table 2: Timeliness of funds transferred from MoFED to LCs 2010-2013FYs, based on 8 councils

YEARS	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Jan – Mar		Apr – Jun		Jul – Sep		Oct – Dec	
	Months	% of councils receiving funds in given month	Months	% of councils receiving funds in given month	Months	% of councils receiving funds in given month	Months	% of councils receiving funds in given month
2010	March	100%	May	12.5%	Sep	12.5%	Dec	75%
			June	87.5%	October	87.5%	Jan-11	25%
2011	March	100%	June	50%	October	75%	December	25%
			July	50%	November	25%	Jan-12	75%
2012	May	75%	August	87.5%	December	87.5%	December	12.5%
	June	25%	October	12.5%	Feb-13	12.5%	Feb-13	50%
							Mar-13	37.5%
2013	June		87.5%	August		12.5%		
	July		12.5%	December*		75%		

Red indicates transfers outside the respective quarters
** Bo City Council reported no transfer for the second half of 2013*

Table 2 shows that 100% of all transfers made to LCs in the first quarters of 2010 and 2011 were made in the last month of the first quarter. More than 60% of the transfers made for the period under review (2010FY-2013FY) to LCs were accessed after their respective quarters. Less than 40% of the LCs accessed their funds in the last months of the quarters. It was then revealed that the late disbursement of funds to LCs affected the implementation of the annual work plan.

Table 2 further shows annual progressive delays from 2010 to 2013. In 2010, most of the transfers were accessed in the last months of the quarters, whilst in 2011, the delay progressed to the first and second months of the subsequent quarters. In 2012, it did not only progress to the first and second months of the subsequent quarters but to the subsequent year for most of the LCs.

The year 2013 was a different scenario. The transfer pattern changed from quarterly to half yearly. Notwithstanding, delay still occurred as about 87% of the LCs visited accessed their funds in the last month of the 'half yearly period'.

3.3.2 Causes of late disbursement of funds

Inferences from the interviews revealed the causes of late disbursement. These causes were classified into cross-cutting causes, which covered all levels (council, DHMT and hospital).

Delays in disbursement of funds from MoFED to MoHS, MoEPWR and LCs were attributable to a combination of the following factors:

Cross-cutting causes

- Unavailability of funds at central government

- Late disbursement of allocations from central government
- Weak documentation, leading to late preparation of returns
- Slow inter banking transfers. The GoSL funds were mainly transferred to Sierra Leone Commercial Banks (SLCB) for devolved functions. In districts where the SLCB was not present, but other commercial or community banks were available (for instance Pujehun, Bonthe and Koinadugu), transfers were often made via SLCB to these banks. In such situations, these transfers often go for clearance and may at least take three (3) or more working days to process
- Lack of proper cash flow projection for the period under review: with the absence of cash flow projection, MoFED could not provide adequate and reliable multi-year commitments of grants to meet the required needs of MDAs; as a consequence, disbursements were made as and when funds were available

From MoFED to MoHS

- Delay in processing of PETS FORM I & II. Most often, the timely availability of approving signatories was a challenge especially for the Minister and Chief Medical Officer of MoHS considering the nature of their job
- Delays in submission of previous liquidations

At LCs level

- Late submission of PETS FORM I & II by DHMTs/hospitals
- Weak and irregular financial supervision at all levels (LCs and DHMTs/hospitals)
- Weak enforcement of the guidelines of disbursement of government funds

At DHMT/hospital

- Informal practices[3] at LCs hinder timely disbursement of funds to DHMTs/hospital
- Undue interference of DMOs with the work of Finance Officers e.g. stock and cash management, in turn impeded the implementation of activities and prompt reporting
- Inadequately trained and qualified Finance Officers to handle financial management at the DHTMs/hospitals. The study revealed that most DHMTs/hospitals had only one Finance Officer that was often not adequately trained. Even when they were trained, they were most often overwhelmed with workload that in turn reduced their efficiency in terms of financial management and reporting

3.3.3 Effects of late disbursement of funds

Approved activities were time bound; therefore, late disbursement of funds invariably led to:

- Poor healthcare service delivery at all levels such as weak referrals, trainings, distribution of health products, supervision, monitoring, data collection, procurement and construction/rehabilitation
- Slowed down and rendered operations in the health sector poor and dangerous

[3] Informal Practices includes some District Medical Officers usurping the function of the DHMT finance officers unduly, some staff at the LCs making kickbacks a prerequisite for every fund they released to the DHMTs and hospitals.

- Adversely affected health planning and budgeting. Approved activities were often not implemented within the stipulated period leading to roll-overs to subsequent quarters or financial year, thus undermining the credibility of the MoHS budget
- Difficulties in timely reporting and documentations, leading to over lapse in quarterly reporting
- Indebtedness, loss of trust of suppliers and even stalled loan opportunities. In anticipation of funds, MDAs often negotiated pre-financing with contractors/suppliers to kick start operations
- Aided and abated corruption at all levels. The delay in disbursing funds for specific or time bound programmes within the quarter meant these programmes were abandoned and their funds diverted
- Affected monitoring and supervision. Monitoring and supervision are key to improving the quality of health services as they are time bound. Delays in disbursement of funds stalled efficient and effective supervision and monitoring

3.4. Incomplete disbursement of funds

Budget execution does appear to have been hindered by carry-overs since 2010, although we have been informed that there had been some improvement in 2013. Cheques from 2012 (to the value of Le 241 billion printed cheques, plus Le 10 billion cheques payable) were carried over into the fiscal year 2013 as a result of revenue shortfalls (Le 183 billion), extra-budgetary expenditures (Le 206 billion) and the clearing of obligations brought forward from FY 2011 (Le 183 billion) (PEFA Report 2014 version 9).

The study also revealed that disbursements in most of the quarters were way below budget allocations, implying that some of these activities were underfunded.

3.4.1 Extent of incompleteness in disbursement of funds

The study revealed that less than 100% of the approved budgeted funds were allocated to the health sector during the financial year. This affected health service delivery at all levels and was one of the contributing factors that led to planned targets not been achieved at the end of the financial year.

3.4.2 Extent of the variance in expenditure composition in health during the last 3 years, excluding contingency Items

Table 3: Expenditure composition in health

Composition of expenditure out-rurn in heath compared to original approved budget over the past three years in millions of Leones						
Year	Budget	Actual	Adjusted Budget	Deviation	Absolute Deviation	Percent
2010	74,830.13	104,894.79	95,858.90	9,035.90	9,035.90	9.4
2011	118,851.99	134,998.20	136,260.60	-1,262.40	1,262.40	0.9
2012	107,481.59	140,720.60	131,054.10	9,666.50	9,666.50	7.40%

Source: Sierra Leone PEFA report 2014

Table 3 presents budgetary performance for MoHS and MoHS devolved functions to LCs for 2010, 2011, and 2012[4]. It should be noted that the table presents the overall picture for the budget to health, rather than part which is to be devolved. The deviations shown above between actual releases and budgeted reflect a period in Sierra Leone initiated by optimistic growth estimates of 51% for 2012 made in 2010. Much of the over-expenditure was accounted for by domestic capital expenditures.

Table 4: Expenditure composition in energy, power and water resources

Composition of expenditure out-turn in energy and power/ water resources compared to original approved budget over the past three years in millions of Leones

Year	Budget	Actual	Adjusted Budget	Deviation	Absolute Deviation	Percent
2010	55,036.52	183,194.66	70,502.90	112,691.80	112,691.80	159.80%
2011	95,686.49	104,077.70	109,702.00	-5,624.30	5,624.30	5.10%
2012	86,777.04	122,435.00	105,808.70	16,626.30	16,626.30	15.70%

Source: Sierra Leone PEFA report 2014

Table 4 presents budgetary performance for MoEPWR. MoEPWR was separated into two ministries in 2013, namely Ministry of Energy and Power and the Ministry of Water Resources. The Ministry of Water Resources is a new ministry. As a consequence, the availability of financial data on water resources for the period under review was a challenge. Therefore, the data above represents the MoEPWR.

The table above shows that actual allocations were higher than those forecasted in the budget. However, the adjusted budget was higher than the actual allocation in 2011. This was in line with government's plan to accelerate public investments in infrastructure (roads, water, and energy). Hence, unlike health, there was no incompleteness in the disbursement process.

3.4.3 Analysis of approved budget and actual releases to LCs (MoHS devolved functions)

Table 5: Analysis of approved budget and actual releases to LCs

Year	Annual Budget (In Millions of Leones)	Annual Actual (In Millions of Leones)	Total Variance (In Millions of Leones)
2010	26,791	31,000	+4,209
2011	32,135	29,518	-2,617
2012	33,500	33,500	-
2013	34,437	30,530	-3,907

Source: LGFD/MoFED,transfer report 2014

[4] 2013 figures were not used for the assessment as they were still not finalised but remained estimates, with some ministry expenditures still not verified.

The table above shows that despite delays in GoSL transfers of funds from MoFED to LCs (MoHS devolved functions), the figure unfolded negative variance of Le4.2 billion in 2010FY. This indicates that MoHS had the absorptive capacity to spend more funds than were allocated. This might have been due to the introduction of the Free Health Care Initiative for pregnant women, lactating mothers and children under five. In 2011FY and 2013FY, the actual allocations to MoHS were less by Le2.6 billion and Le3.9 billion respectively not because of their absorption capacities, but primarily due to the unavailability of funds. Less than 100% of the approved budgets were allocated to the MoHS. In 2012FY, 100% of the approved budget was actually allocated to health unlike 2011FY and 2013FY.

The table further reveals progressive increases in the annual budget whilst the actual release fluctuated for the period under review. For instance, the actual allocation decreased from 2010FY to 2011FY, increased from 2011FY to 2012FY and later decreased from 2012FY to 2013FY. This impacted negatively on the health sector as approvals by the annual work plan were not completely implemented and led to roll over of some activities to the subsequent financial years. Tables 5 and 6 below provide a snapshot of the disbursement of funds in the selected eight LCs for 2011FY and 2012FY.

Table 6: Annual budget vs. actual disbursement, in 8 councils – 2011FY

		2011FY		(In Leones)	
No	Local Council	Budget	Actual	Variance	% Variance
1	Bo City Council	2,862,313,885	2,376,948,578	485,365,307	17.0
2	Makeni City	2,482,326,052	2,219,096,803	263,229,249	10.6
3	FCC	10,196,883,479	9,169,295,339	1,027,588,140	10.1
4	Koinadugu District Council	1,306,265,382	1,227,329,391	78,935,991	6.0
5	Koidu New Sembehun City	593,887,651	553,774,003	40,113,648	6.8
6	Pujehun District Council	970,381,855	918,050,746	52,331,109	5.4
7	Bonthe District Council	286,894,900	282,686,031	4,208,869	1.5
8	WARDC	1,690,782,810	1,533,099,221	157,683,589	9.3
	Grand total	**20,389,736,014**	**18,280,280,112**	**2,109,455,902**	10.3

Table 7: Annual budget vs. actual disbursement, in 8 councils – 2012FY

		2012 FY		(In Leones)	
No	Local Council	Budget	Actual	Variance	% Variance
1	Bo City Council	2,830,399,804	2,830,399,804	0	0.0
2	Makeni City	2,715,241,272	2,715,241,272	0	0.0
3	FCC	10,969,896,096	10,969,896,097	-1	0.0
4	Koinadugu District Council	1,314,548,035	1,314,548,036	-1	0.0
5	Koidu New Sembehun City	816,078,595	816,078,595	0	0.0
6	Pujehun District Council	999,248,881	749,436,663	249,812,218	25.0
7	Bonthe District Council	280,139,000	280,139,000	0	0.0
8	WARDC	1,768,732,862	1,768,732,858	-4	0.0
	Grand total	**21,694,284,545**	**21,444,472,325**	**249,812,220**	1.2

There were significant variations on performance of actual releases vs. budget allocation among the councils studied. Table 6 (2011FY) shows that none of the LCs received 100% of their annual budgets. There was an overall variance of 10.3% which can be considered as a huge disparity with respect to health projects that would eventually be left out or shifted due to incomplete budget allocations. The highest variance was observed in the Bo City Council (17%) and the least, at Bonthe district council (1.5%). Table 7 (2012FY) demonstrates an increase in the total annual budget for the reviewed councils and a corresponding increase in the actual disbursements compared with 2011FY. Clearly, as seen in 2012, there was 100% actual disbursement for the councils, except Pujehun district council that had a percentage variance of 25%.

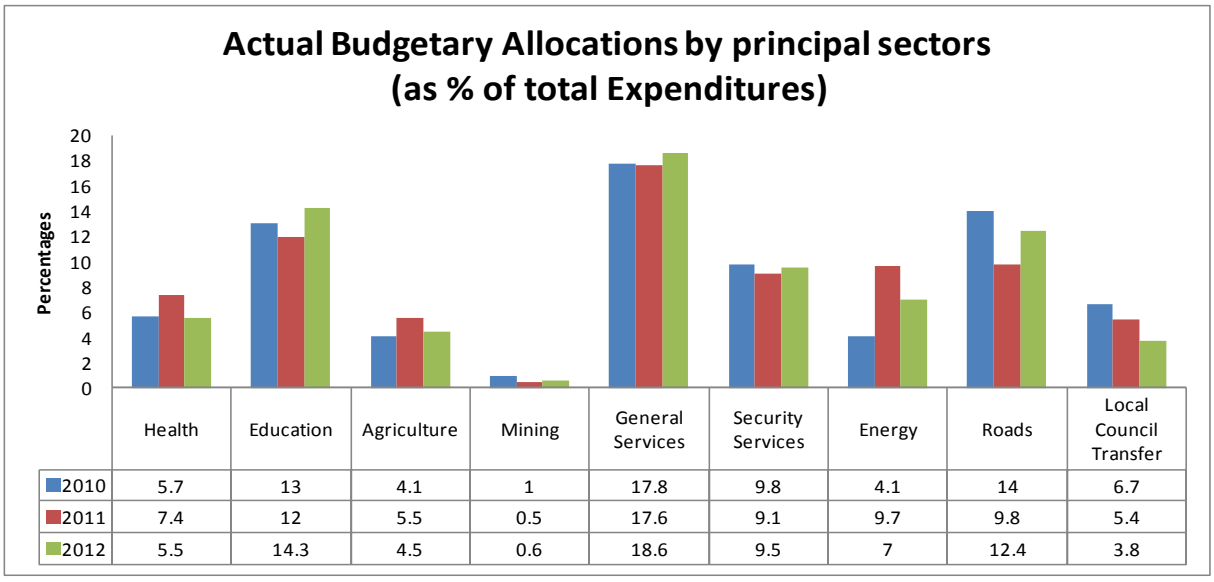
Table 8: Annual budget vs actual disbursement for water –2010-2013FY

Transfers from MoFED to LCs 2010 – 2013 FY (in millions of Leones)				
		Annual Budget	Actual	Variance
Rural Water Services	2010	824	824	
	2011	865	813	-52
	2012	900	900	
	2013	917	1,330	413

Table 8 above shows the transfer of funds from MoFED to LCs for devolved functions of rural water services for the period under review. In 2010 and 2012FYs, there was no variance between budgeted and actual disbursements to the LCs. This shows completeness in disbursement to the LCs. However, in 2011FY there was incompleteness in disbursement despite government plans to invest more in infrastructure (rural water). 2013FY was much better in terms of the amount disbursed.

3.5. Limited budgetary allocations to health compared to other principal sectors for the period under review

Figure 6: Actual budgetary allocations by principal sectors (as % of total expenditures)



	Health	Education	Agriculture	Mining	General Services	Security Services	Energy	Roads	Local Council Transfer
2010	5.7	13	4.1	1	17.8	9.8	4.1	14	6.7
2011	7.4	12	5.5	0.5	17.6	9.1	9.7	9.8	5.4
2012	5.5	14.3	4.5	0.6	18.6	9.5	7	12.4	3.8

Source: Sierra Leone PEFA Report V.3.0, 2014

There were no discernible trends in sectoral expenditure which correlated with government policy. During the review period, as mentioned above, capital expenditures in the

roads and to some extent energy sectors had been the main drivers of GoSL expenditures, with health receiving very limited allocation compared to the other sectors. The chart also shows a sharp decline in government allocation to health from 7.4% in 2011FY to 5.5% in 2012FY. Despite the emphasis of GoSL on decentralisation and the Abuja Declaration 2005, the sectoral share for health declined over the review period.

3.6. No cash flow projections by MoFED to provide adequate and timely commitments of grants to MDAs

Ideally, MoFED is required to institutionalise the preparation of cash flow projections as a complement to budget execution. To facilitate this effort, MDAs were required to prepare cash flow projections for each quarter of the year, in line with their approved procurement plans. This should follow the costing of the activities for the period.

The study revealed a contradiction to this practice. MDAs were notified of their ceilings twice a year (previously quarterly). Although the cash position was centrally monitored on a weekly basis by MoFED, this did not always appear to translate into a high level of predictability and reliability at the MDA's operational level. In principle, the effective management of grants required MoFED to produce cash flow projections which were meant to provide reliable, indicative, multi-year commitments of grants in a timely and predictable fashion. In the absence of such, MoFED did not provide adequate and reliable multi-year commitments of grants to meet the required needs of MDAs. As a consequence, disbursement was only made as and when funds were available. The study revealed this as a major contributing factor to the unpredictability of the disbursement of funds and in turn undermined the quality of healthcare service delivery. This could be a prime reason why funds were not disbursed in the first months of each quarter during the period under review.

3.7. Communication gap / information flow from MoFED to LCs affects the timely disbursement of funds

Information flow on funds transferred between MoFED and LCs were not timely. This had been one source of delay. For instance, LCs in some instances got their transfer notification prior to the actual transfers. In other instances, monies were transferred to LCs accounts with no notification on these transfers. Thus, these councils were unable to utilise these funds in the absence of such notifications. In addition, publicly accessible details of funds released by MoFED to LCs on the website were not user friendly and had not always been available on time.

Effective controls could be enforced by all stakeholders having access to timely information regarding budgets, allocations and transfers. As pointed out earlier, relevant information was not always available to budget stakeholders in time.

Moreover, LCs should also make public transfers to DHMTs/ hospitals in a timely manner using appropriate dissemination means at the local level.

3.8. Capacity of Finance Officers in financial management affected the timely disbursement of funds from LCs to DHMT/hospitals

There was an acknowledged absence of requisite skills in accounting, and general financial management especially at the DHMT and hospital levels visited.

The study revealed the following:

- Most DHMTs had only one Finance Officer to handle the finances of the DHMT. Therefore, the Finance Officers were overwhelmed with work which negatively affected their efficiency
- The trainings conducted by MoFED and MoHS for Finance Officers were irregular and inadequate to cope with the demand of the reforms. Most of the training workshops were haphazardly done
- Supervisions were done but very irregular and weak. There were no timetable for supervisions, checklists, reports and feedback after these supervisions

3.9. Strengths and weaknesses of the disbursement process in the health sector

Table 9: Summary of strengths and weaknesses in the disbursement process for health

NO	STRENGTHS	EFFECTS
1.	There were clear-cut policies on the budget process	➢ Provides guideline for the management of the government budget process ➢ Reduces conflicts and enhances understanding on roles, responsibilities and limitations on the budget processes
2.	The health system is decentralised	➢ Gives autonomy of MDAs (LCs/DHMT/hospitals) to access and manage their finances at national and local level
3.	Established financial management structures	➢ The system for disbursement of funds from MoFED, MoHS, MoEPWR, AGD, LCs and DHMTs/hospitals was elaborate and integrated
4.	Integrated internal control measures in the disbursement chain	➢ PETS FORMS I & II were structured to serve as internal control measures. It involves key stakeholders in the disbursement process ➢ Availability of internal and external auditors to audit the system periodically to ensure adherence and conformity to procurement and disbursement procedures and reconciliation of records ➢ Availability of working committees (e.g. procurement) that integrated partners like INGOs, NGOs, CSOs to improve coordination and complement the operations in the health system
5.	Availability of annual work plans and budget	➢ The annual work plans were developed at each level and integrated into a national budget which serve as bases for the allocation, disbursement and utilization of funds
6.	Capacity	➢ The professional heads, administrative and Finance Officers, meant to ensure the smooth running of the health sector are available, though there are challenges
7.	Infrastructure	➢ Infrastructure to host the disbursement system, personnel and services are available with challenges

No	Weaknesses	Effects
1.	Too much bureaucracy	➢ Too much bureaucracy had rendered the disbursement process protracted, cumbersome and costly
2.	No clear-cut legislative timelines for disbursement of funds	➢ There were no clear-cut legislative timelines at any of the disbursement stages for the processing and disbursement of funds. Priorities given to disbursement processes were either based on the availability of funds or the urgency of the activity e.g. Ebola, Cholera etc.
3.	Lack of cash flow projection	➢ MoFED have not effectively managed the grants required for cash flow projections that provide reliable, indicative, multi-year commitments of grants in a timely and predictable manner. As a consequence, disbursements were made as and when funds were available, contributing to delays in disbursement and in turn, undermining the quality of healthcare service delivery
4.	Irregular supervision and monitoring	➢ From the review, supervision and monitoring were pegged on the availability of funds rather than on designed periodical bases creating challenges for reconciliation, budgeting and planning ➢ The study noted cases of errors and incompleteness in reported financial data that should have been detected earlier and corrected by a more robust validation system
5.	Poor documentation	➢ The study revealed challenges in record keeping, consistency and completeness of financial data. For instance, documentation patterns varied from personnel to personnel of the same dispensation ➢ The frequent transfers of personnel to other work stations also greatly affected proper documentation
6.	Late submission of returns and technical progress reports	➢ Non-compliance of LCs, DMHTs and hospitals for timely submission of returns and technical progress reports ➢ Late disbursement of funds invariably led to late submission of returns

4. RECOMMENDATIONS

This section highlights the most pressing areas for reform, and recommends specific actions that the government and its development partners should take in order to improve or remove the bottlenecks on disbursement of funds to the health sector. The recommendations are grouped into three key areas:

1. Strengthen financial governance
2. Improve the predictability of release of allocations and efficient disbursement of funds
3. Improve capacities of finance staff

4.1 Strengthen financial governance

Public financial governance is weak across the Sierra Leone public sector; despite improved legal frameworks, institutional structures, rules and procedures, decisions continue to be influenced by informal practices.

- The fiscal framework needs to be strengthened. The reliance on supplementary budgets is evidence of unreliable fiscal forecasting. An independent review mechanism to ensure the independence of fiscal forecasts should be put in place. The forecasts and the underlying assumptions should be made public.
- MoFED should ensure a proper and realistic cash flow projection for MDAs on a quarterly basis. Mere submissions of budget ceilings to MDAs do not imply cash flow projections. As a result, MoFED could not provide adequate and reliable multi-year commitments of grants to meet the required needs of MDAs.
- Consistent enforcement of formal procedures and controls should be done and will require greater transparency and stronger monitoring from top management. MoFED had been successful in strengthening downstream execution, but more focus now needs to be placed on the establishment of legislative timelines for budget execution. Rather than introducing additional technical solutions, the focus should be on correcting the underlying incentives to bypass formal rules and procedures. Political will is therefore required to eliminate arbitrary privilege and hold officers accountable for informal practices.
- Coordination and communication on financial matters between MoFED and MDAs should be greatly enhanced.
- Greater efforts are required to enforce uniform accounting standards. There are currently many inconsistencies in budget data particularly for DHMTs and hospitals making documentation of financial records difficult. Strong commitment to enforce the use and compliance with the accepted accounting standards is required.

4.2 Improve predictability of release of allocations and efficient fund disbursement

- MoFED should expand the scope of generating more revenue to meet the annual budget to ensure a timely and complete disbursement of funds to MDAs.
- Government allocations should be released in the first month of every quarter.
- Government budgeting and budget execution should be aligned. It is strongly recommended that government transfers to MDAs be done on a quarterly basis as reflected in the annual budget plans rather than on a 'half yearly' basis.

- PET FORM I and PET FORM II should be combined into a single PET FORM. Under a system of quarterly cash releases, there is no reason why PET FORM I and PET FORM II need to be approved separately. The second stage (PET FORM II) of the current process is therefore redundant, and serves only to increase the room for discretion, delay the process, reduce predictability and encourage MDAs to foster informal personal connections with individuals.
- MoFED, MoHS, MoWR and LCs should all take appropriate actions to ensure proper financial documentation at all levels. There is a need for a transparent and well-maintained budget and accounting records at all levels.
- Professional heads and vote controllers should ensure timely approval of all requests made by programme managers.

4.3 Improve capacity of Finance Officers at all levels

- Strengthen financial supervision: financial monitoring and supervision should be done in a more organised and regular (at least quarterly) manner jointly by the directorate of financial resources in the MoHS, MoWR and LGFD at MoFED. This can be attained by developing supervision timelines, a checklist, reporting format, supervision reports and acting on the recommendations of these reports.
- Improved on-going public financial reform management to the health sector should also address technical capacity constraints, and the underlying incentives to comply with the new processes.

5. CONCLUSIONS

There have been several problems with the allocation and disbursement of funds, which need to be addressed. Concerns about delays, predictability and completeness in disbursements, and enforcement of the existing disbursement policies and regulations have been expressed by the Sierra Leonean public and confirmed by this study.

It is essential that steps are taken to ensure that the management of disbursement of funds to the health sector is efficient and achieves its desired aims. Every effort should, therefore, be made to ensure timely transfer of funds in a much more predictable and transparent manner.

It is expected that the authorities will take the findings and recommendations of the study as a contribution from the Budget Advocacy Working Group (BAG) for the proper management of the government budget excution process. The recommendations are worth implementating to ensure effective and timely disbursement of funds that will in turn improve health care and water service delivery in Sierra Leone.

6. REFERENCES

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Annex 1: Terms of reference

Study Type	Assessment and Mandate of the Processes of Disbursement of funds from MoFED to the MoHS
Study Objectives	• To conduct a review of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) in order to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone. • The report should identify the strengthens and weaknesses and concrete actions to improve the disbursement procedures which will allow more timely and effective disbursement of funds from the national to the local level, to ensure that health facilities receive all allocated funds in a timely manner. • Identify parliament mandates to conduct effective oversight.
Study Methods	• Desk review • Complementing Key Informant Interviews
Consulting / Consultant:	
Country or Region:	Sierra Leone
Names of management team	Jeremiah Sawyerr, Joanna Tom-Kargbo & Sowo Lebbie, Abu bakarr Kamara
Names of research interest group:	
Period of Consultancy	**April 2014**
Anticipated Report release date	May, 2014

BACKGROUND

The MoFED is the principal ministry responsible for allotting the annual budget to government Ministries, Departments and Agencies (MDAs) in Sierra Leone. The MoFED is charged with the responsibility to formulate and implement sound economic policies and public financial management, ensure efficient allocation of public resources and to promote economic growth and development in the context of a stable macroeconomic environment.

THE BUDGET PLANNING PROCESSES

The budgeting processes in Sierra Leone consist of planning and preparation, execution and monitoring. The Ministry of Finance and Economic Development (MoFED) presents macroeconomic indicators, targets and frameworks that include budgetary guidelines, revenue projections and broad expenditure ceilings. This information is circulated among MDAs, the Cabinet and the executive for approval. To a large extent MoFED discusses and agrees on the budget framework together with its development partners, including the International Monetary Fund (IMF), and inform the Cabinet of its findings.

MDAs must use the budget guidelines, referred to as Budget Call Circular, to prepare strategic procurement plans and budget estimates which are presented and discussed during a Consultative Policy Hearing involving key stakeholders and development partners. MoFED's Budget discussion with MDAs, Local Councils, development partners, District Budget Oversight Committee (DBOCs) members and representatives of civil society is the platform where annual budget are thoroughly being scrutinized. MDAs that fail to meet the minimal criteria of MoFED are requested to do another presentation to meet the basic requirements. Similarly, Local Councils administration also organise pre-budget discussions which are subsequently being incorporated into the national budget.

Once the discussion is finished, MoFED will table an Appropriation Bill which is being forwarded to the Law Officers Department. This Bill needs to be published within 21 days according to Law, and subsequently read in the Parliament by the Minister of Finance and Economic Development. The Parliament will debate the budget and, if found acceptable, the budget will be approved by the Parliament and passed into law when the President signs the appropriation bill.

MANAGEMENT OF THE HEALTH AND SANITATION BUDGET

The Permanent Secretary in the Ministry of Health and Sanitation is responsible for the management of the health budget. The Permanent Secretary is the Vote Controller and hence authorizes all expenditures within the Ministry. Program mangers make requests for funds and approval and authorization is given by the Vote Controller and the Minister who is the political head of the Ministry. At the local level, with exception of the Freetown Municipality, all funds for health and sanitation services are directly transferred by MoFED to council administration accounts for onward transfer to the various devolved service delivery accounts. Funds for health care services within the Freetown Municipality are transferred directly from the MoFED to hospital accounts.

BUDGET EXECUTION BY MDAS

Budget execution, when funds are released through the quarterly allocations to MDAs by MoFED, is the most important component of the budgetary process. It is critical to enable the MDAs to carry out their day-to-day work. MDAs make requests for the release of funds by preparing MTEF PETS Forms I and II. The forms ensure that adequate funds are available for release to MDAs and that requests are consistent with approved ceilings. Funds are thereafter released by MoFED through the Accountant General's department to MDAs in line with the GBAA 2005, PFM Regulation 2007 and NPPA Act 2004. To ensure monitoring and effective audit trail mechanisms, the Accountant General prepares a national account at the end the financial year for the attention of the Audit Service.

Monitoring and oversight is another key aspect of the budget process in Sierra Leone, as it is critical for accountability and transparency in the utilization of public resources and delivery of services. MoFED has two monitoring and oversight mechanisms to monitor the budget. The Public Expenditure Tracking Survey (PETS) ensures that MDAs access funds within the framework of approved ceilings, and the Internal Audit, undertakes spot auditing and advices management on the necessary regulations. At the local level, budget monitoring is done with local councils, with District Budget Oversight Committees, ward Committees and Civil Society Organizations playing pivotal roles.

The Parliamentary Budget Oversight Committee has the primary responsibility to monitor MDAs and periodic intervals. This is to ensure compliance on government compliance in term of implementation.

LOCAL GOVERNMENT AND RURAL DEVELOPMENT

In 2004 Sierra Leone reintroduced local council administration to promote the decentralization programme to promote good governance and democracy, accountability and transparency, and to improve service delivery and the local economy. Council administration was governed by policy statements contained in several official documents such as the Local Government Act of 2004 and the 1991 constitution, until the decentralization secretariat adopted a policy to regulate local council administration in 2010.

The 2010 decentralization policy ensures the transferring of power, authority and resources from the central government to democratically elected council representatives. The goal of the reform and the policy is to ensure that local communities are empowered and fully involved in the political and development processes and that they are actively participating in the formulation and implementation of development plans to which the central government provides oversight.

DATA AND FINANCIAL MANAGEMENT

The management of financial data is guided by the relevant financial regulations and procedures. The Ministry of Finance and Economic Development has ensured, through the Public Finance Management Reforms, that financial management systems exist in key MDAs in compliance with the 2005 Government Budgeting and Accountability Act aimed at building accountable systems to ensure probity, transparency and effective audit rail mechanisms. However, significant effort is still needed for improved financial records management at all levels of administrations.

DESCRIPTION OF THE STUDY

PURPOSE

To conduct an assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well local councils in order to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

1. SPECIFIC OBJECTIVES

- Identify and assess MoFED mandates, guidance and criteria and processes for quarterly disbursement of funds to MDAs with focus on the MoHS and councils.

- To identify the stakeholders that participated in the disbursement chain from MoFED to MoHS and councils to ascertain who is responsible for bottlenecks that undermine timely disbursement.
- Assess the disbursement processes of funds to the health sector from the national level to local level administration to identify bottlenecks with regards to transfers between different levels.
- The report should identify the strengthens and weaknesses and concrete actions to improve the disbursement procedures which will allow more timely and effective disbursement of funds from MoFED to MoHS and councils from the national to the local level, to ensure that health facilities receive all allocated funds in a timely manner.
- The study will inform the budget consortium health advocacy campaign in advocating for policy changes to overcome obstacles in the current system and ensure timely disbursement of funds to the MoHS for better functioning of the health system in Sierra Leone.
- To identify the effect of late disbursement on health service delivery.
- To produce a policy brief.

2. SCOPES

The consultant is required to undertake the following tasks:

- To analyse disbursement processes from MoFED to MDAs during the past three years (since 2010), with specific focus to the MoHS and councils.
- Review MoHS processes/documentation to access timely allocation from MoFED for the past three years (since 2010) to ascertain whether MoFED criteria were monitored and followed
- Review MoFED processing of PETS forms from MoHS to councils to ensure timely allocation/ disbursement since 2010
- Assess previous disbursement documentation to identify whether MoFED basic criteria were met to disburse funds to MoHS and councils.
- Assess the overall functioning of the disbursement system and identify bottlenecks and obstacles at all levels and by all stakeholders involved in the process, which are currently hindering timely disbursement of funds from MoFED to the health facilities.
- Produce 4 case studies (two copies for city and district councils) on the feect of late disbursement (video documentary).
- Development of tools to get consortium members to feedback.
- Produce a comprehensive report

3. METHODOLOGY

The study is mainly a desk review and key informants interview will be conducted to validate findings and fill information gaps.

a) ***Desk review*** of relevant documents including:
   - Existing MoFED policies, plans and budgets for disbursement of funds to MDAs, with focus on MoHS.
   - Previous disbursement documentation with focus on the years from 2010 an onwards
   - Disbursement documentation from at least one other MDA in addition to MoHS to ascertain whether MoFED has standardized disbursement criteria.
   - Any other relevant policies, reports or documentation.
   -

b) *Stakeholder interviews*

- Participatory Learning and Action (PLA) with key stakeholders involved in the budgeting processes at the MoHS and MoFED to investigate untimely disbursement from MoFED to the MoHS and councils.
- A smaller number of Key Informant Interviews should be conducted with key representatives at the MoHS, particularly in the finance Department.

AUTHORITY AND RESPONSIBILITY

The consulting firm / consultant should:

- Be an experienced researcher with higher level of education in financial management with background in health economics and or Social Sciences will lead the assessment.
- Have excellent English communication skills (oral and written English)
- Experience in conducting a similar desk review at the MDAs and experience in conducting similar studies / assessments with at least two published papers will be an advantage.

The consulting firm / consultant will:

1. Submit an Expression of Interest which clearly demonstrates understanding of the TOR, a letter of motivation and CVs for all members of the consulting team. References and samples of earlier completed work should be made available upon request.
2. Develop a clear work schedule with specific timelines on how the assignment will be done to be reviewed by the management team
3. Complete the desk review of key documents before commencing with stakeholder interviews
4. Develop checklist for the stakeholder interviews which should be approved by the management team
5. Ensure that the work satisfies accepted professional and ethical standards.

6. Deliver a draft report to be reviewed by the management team before final version of the report which addresses the feedback from the team is completed and submitted
7. Finalize and deliver a final report of not more than 15 pages in soft copy to World Vision Sierra Leone
8. All work to be completed within one month from the date of signing the contract

The consortium will:

1. Provide consultant with background information and documentation within its mandate
2. Review, discuss and approve the Expression of Interest, the suggested work schedule, the interview checklist, the draft report and final report in a timely manner and provide constructive feedback and guidance to consultant.
3. Provide consultant with funds to undertake the studies.

DELIVERABLES

The consulting team will be accountable for producing the following deliverable:

- A comprehensive and professional assessment report of the MoFED disbursement procedures to the MoHS, which fully corresponds to the TOR requirements, with a total length of no more than 15 pages including executive summary, references, bibliography as well as footnotes and annexes (if applicable).
- The report should include an executive summary, table of content, methodology, assessment/findings (results), conclusion, recommendations, references/bibliography and applicable annexes. References should be provided in Harvard style throughout the report
- The consultant(s) should provide an six electronic copies of the final report to the consortium.
- It should be noted that the MoHS and councils should review the draft report.
- Six copies of the video documentary.

Outline of final report

1. Executive Summary

Provide an executive summary of the desk review in 1 page. Summarise overall findings, conclusion and recommendations.

2. Methodology

Provide a brief summary of the methodology used in the report

3. Findings

Clearly present the findings of the study corresponding to the purpose, objectives and research questions.

4. Conclusion

Provide a concrete conclusion which clearly answers the research questions. No new information should be added to the conclusion, but it should summarise the analysis provided in the findings section. Note that the conclusion should be relevant not only to World Vision, but the Ministry of Health and Sanitation and other partners.

5. Recommendations

Based on the study findings, provide no more than 5 recommendations for high impact, low cost interventions, policy reviews or changes of practice that will overcome current obstacles and ineffectiveness in the budget disbursement process and accelerate timely disbursement of funds from MoFED through all levels, down to facility level.

6. Bibliography

A consistent referencing system should be used throughout the report. A Harvard referencing style is recommended. A comprehensive bibliography should be provided at the end of the report. This is a publishable assessment.

7. Annexes

Insert copies of key policy documents, strategy documents used to inform findings of the review. Tables and charts for analysing findings of the review can also be added as part

Name, address and contact information of person who will receive applications

All application must be directed to Health for All Coalition and address to the Child Health Now Focal Person on or before the deadline.

Annex 2: List of councils visited

1. Freetown City Council
2. Western Area Rural District Council
3. Koinadugu District Council
4. Bo City Council
5. Pujehun District Council
6. Bonthe District Council
7. Makeni City Council
8. Koidu New Sembehun City Council

Annex 3: Questionnaires

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

Name of Interviewee…… .....

Name of Interviewer.....

Date of first visit…….....

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

.Person contacted	Designation	Supervisor	Supervisee	Date

	FUND DISBURSEMRNT	
1	What are the criteria involves in the disbursement of funds from LCs?	
2.	Who are the personnel involved in flow of funds from LCs?	
3	What are the processes involved in disbursement of funds from LCs?	
4	What are the processes involved in accessing funds from LC:	
4.1.	PETS Form I & II	
4.2.	Commitment control form	
4.3.	Payment Voucher	
	What is the legislative time lag at each stage in accessing funds?	
5	Who are the personnel involved in the process... ……	DMO/Hosp. Sup 1 FO 2 Focal Person 3 Others Specify……..4
6	In the event a personnel is away at any of the fund accessing stage can such function be performed by another person	Yes 1. No. 2

6a)	If No to Q6, have there being a situation for the period under review when a personnel involved in the process was not present to access funds	Yes 1. No. 2
6 b)	If yes to Q6, What was the effect(s) in accessing such funds?..... ……	
7	How did you know funds were available at the council for your institution?	Electronically. 1 Letter 2 Verbal. 3 Others Specify……..4
8	What is the timeline for accessing funds from LC?	
9	What are the causes of delays in accessing funds from LC?	
10	What are the effects of the delays in accessing funds. (give tangible instance e.g. Referral, training, construction, procurement drugs etc) Probe.	
11	What are your recommendations to prevent future delays?	
12	What are the effects of late disbursement of funds from LCs to DHMT/Hospital with respect to the operations of the DHMT/Hospital?	
13	What are your recommendations?	
14	When last did you receive training in Financial Management?	6 months ago……1 Above 6mnths but less than one year ……. ……..2 More than one year……..3 more than two years ……. 4
15	How many personnel are in the Finance department excluding the FO?	None. 1 Only One 2 More than 3
16	What are the minimum qualifications? (Note: for each of the personnel interviewed, qualifications, recent training, supervision)	
17	What are the internal control systems in financial management at DHMT/Hospital?	
18	How often are you supervised?	
19	What are the areas covered in the supervision?	
20	Are there administrative challenges with respect to transfer of fund from LCs to DHMT/ Hospital(s)? b) what actions were taken to address these challenges? c) Are there policies (reforms) to support these actions?	
21a	*From our desk review (2010 – 2013 budget profiles), we observed variances between the approved budget and actual allocations. What were the reasons? (Use table on completeness)*	
21b	*What were the actions taken with respect to the variances?*	
21c	*Did it affect the implementation of Programmes?*	Yes 1. No. 2
21d	*If yes to Q21c, how? With tangible reasons (Probe)….* ……..	
21e	*What are your recommendations?*	
22a	*Did it affect the planning and budget of health Programmes?*	Yes 1. No. 2
22b	*If yes to Q22a, how? With tangible reasons (Probe)*	
22c	*What are the recommendations?*	

Signature of Respondent …….. Date ……

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

District…… **Name of Interviewer**……

Name of Local Council/DHMT/Hospital…….. **Date of Interview**…….

Name of Respondent……..

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

BUDGET Vs ALLOCATED/ACTUAL FORM

LGFD/LOCAL COUNCIL/DHMT/HOSPITAL

Financial Year	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Description	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II
2010 Budget								
Allocated								
Actual								
Comment								
2011 Budget								
Allocated								
Actual								
Comment								
2012 Budget								
Allocated								
Actual								
Comment								
2013 Budget								

Allocated								
Actual								
Comment								

Signature of Respondent……..
Date……

BUDGET Vs ALLOCATED/ACTUAL MOHS FORM

Financial Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Description	GoSL	GoSL	GoSL	GoSL
2010 Budget				
Allocated				
Actual				
Comment				
2011 Budget				
Allocated				
Actual				
Comment				
2012 Budget				
Allocated				
Actual				
Comment				
2013 Budget				
Allocated				
Actual				
Comment				

Signature of Respondent……..
Date……

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

Name of Interviewee…… .....

Name of Interviewer.....

Date of first visit…….....

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

Person contacted	Designation	Supervisor	Supervisee	Date

Question No.	Questions	Options
1a.	*Do you know of any legislation that mandates your council to disburse funds to beneficiaries (DHMT & Hospital)?*	Yes 1 No 2
1b.	*If yes to Q1a, how did you know?*	*During induction 1* *Training 2* *Personal research 3* *Others Specify 4*
2.	*How often your council does received transfers from LGFD for the period under review (2010, 2011, 2012 & 2013)?*	Quarterly 1 Half Yearly 2 Yearly 3 Others Specify……4
3.	*Do you normally receive transfer notification from LGFD?*	Yes 1 No 2
4.	*What is the content of the notification?.....* *……..*	
5.	*In which form is the notification received from LGFD?*	*Electronically 1* *paper-based 2* *Orally 3*
6a	*From our desk review (2010 – 2013 budget profiles), we observed variances between the approved budget and actual allocations. What were the reasons? (**Use table on completeness**)*	
6b	*What were the actions taken with respect to the variances?*	
7a	*Did it affect the implementation of Programmes?*	Yes 1 No 2
7b	*If yes to Q7a, how? With tangible reasons (Probe)….* *……..*	
7c	*What are your recommendations?*	
8a	*Did it affect the planning and budget of health Programmes?*	
8b	*If yes to Q8a, how? With tangible reasons (Probe)*	
8c	*What are the recommendations?*	
9a	*Are there any legislative timelines to process all disbursement from LGFD to LCs)?*	Yes 1 No 2
9b	*What are the disbursement timelines?*	
9c.	*Do you adhere to the disbursement timeline?.....*	Yes 1 No 2
9d.	*If yes to Q9c, how long does it take before LCs access their funds from LGFD for implementation of programs?*	

9e	*What are your recommendations?*	
10	What are the causes of late disbursement of funds from AGD to LCs and MOHS	
11	What are your recommendations?	
12	What are the effects of late disbursement of funds from AGD to LCs and MOHS	
13	What are your recommendations?	
14a.	*Have you at any time experienced delay(s) in receiving funds from the LGFD for the period under review?*	Yes 1 No 2
14b.	*If Yes to Q 14a, tick all that applies.*	*Capacity problem at DHMT/Hospital 1* *Failure to comply with council procedures 2* *Failure to submit returns on time 3* *Delay in receiving grants 4* *Liquidation problems 5* *Others specify 6*
15a	*Did it affect the implementation of Programmes?*	Yes 1 No 2
15b	*If yes to Q15b, how? With tangible reasons*	
15c	*What are your recommendations?*	
16a	*Did it affect the planning and budget of health Programmes?*	
16b	*If yes to Q16a how? With tangible reasons*	
17c	*What are your recommendations?*	
18	*Who authorises payment to beneficiaries (DHMT and Hospitals)?*	*Chairman or Mayor 1* *CA 2* *Chairman/Mayor &CA 3* *Others Specify ……4*
19a	*Are there criteria involved for accessing funds from your council?*	Yes 1 No 2
19b.	*If yes to Q 19a, what are the criteria involved?* *i)Timeliness of previous returns. ii) Acquittal of previous disbursement iii) Others specify……..*	*Stated only one 1* *Stated more than one 2* *Others Specify……..…3*
20	*Who are involved in processing the disbursement of funds to DHMTs and Hospitals?*	Chairman/Mayor 1 2 ☐ ☐ CA 1 2 FO 1 2 Others Specify …… 3
22a	*Are there any legislative timeline to process all disbursement to respective beneficiaries of the council (DHMT & Hospital)?*	Yes 1 No 2
22b	*If yes to Q22a, What are these timelines?*	
22c.	*Do you adhere to these timelines?.....*	
23.	*Have you at any time experienced delay(s) in disbursing funds to DHMT/Hospital for the period under review?*	Yes 1 No 2
24a	*Were there any discrepancies in transfers of funds from LCs to DHMT/Hospital for the period under review (2010, 2011, 2012 & 2013)? Refer to completeness table*	Yes 1 No 2
24b	*If yes to Q24a, what could be the probable reasons for such discrepancies?*	
25	*What is your professional qualification (Finance Officer/Assistant)?*	
26	*Have you received any refresher training on financial matters?*	*Within three months 1* *Within six months 2* *Within one year 3* *Within more than one year 4*
27	*How many personnel do you have in your finance department?*	
28	*Have they received any refresher training on financial matters?*	*Within three months 1* *Within six months 2* *Within one year 3* *Within more than one year 4*
29	*How many times your office has been supervised by LGFD in the last twelve months?*	*Once 1* *Twice 2* *Three times 3* *Quarterly 4* *Non 5*
30	*What are the processes involved in accessing funds from LGFD?*	
31	*How do you process PETS Forms 1&11 for DHMT and Hospital (s)?.....*	
32	*What are the internal control measures in processing:*	

	I) PETS Form 1&11 ii) Commitment control form iii) Payment voucher	
33a	*Are there legislative timelines for financial returns to LGFD?*	
33b	*If yes Q33a, do you adhere to these timelines?*	*Yes 1* *No 2*
34a	*Are there legislative timelines for financial returns from DHMT and Hospital (s)?*	*Yes 1* *No 2*
34b	*If yes to Q34a, What are the timelines?*	
34c	*Do you adhere to these timelines? (Refer to table)*	*Yes 1* *No 2*
34d	*If no to Q34c, what are your challenges?*	
34e	*What are your recommendations?*	
35	Are there administrative challenges with respect to transfer of fund from LGFD to LCs? b) what actions were taken to address these challenges? c) Are there policies (reforms) to support these actions?	
36	Are there administrative challenges with respect to transfer of fund from LCs to DHMT and Hospital(s)? b) what actions were taken to address these challenges? c) Are there policies (reforms) to support these actions?	
37a	*Do you supervise the FOs in the DHMT/Hospital?*	*Yes 1* *No 2*
37b	*If yes to Q37a, how often?*	*Once 1* *Twice 2* *Three times 3* *Quarterly 4* *Non 5*

Name of Respondent	Signature	Date

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

Name of Interviewee…….....

Name of Interviewer.....

Date of first visit…….....

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

Person contacted	Designation	Supervisor	Supervisee	Date

1. What are the processes involved in accessing funds (GoSL) from MoFED?
1.1. What are the stages involves with fund flows (from Budget Bureau, Accountant General Department & MoHS) of allocations from MoFED to payment
1.2. Who are the personnel involve in the fund flows processes?
1.3. Role and responsibilities of personnel in the fund flows processes?
2. What is the timelines in accessing funds (GoSL) from MoFED to MoHS as per the different stages?
3a. Does MoFED and MoHS adhering to the timelines?
3b. If no, what are the reasons?
3c. What are your recommendations?
4a. Are there delays in accessing funds from MoFED?
4b. If yes to Q4a, what are the reasons responsible for the delays?
4c. What actions were taken in the event of delays in disbursement of funds?
4d. What are your recommendations?
5a. Does the delay(s) affect programme implementation?
5b. If yes, how? With tangible reasons.
5c. What are your recommendations to avoid delays?
6a. What are the effects of late disbursement of funds from MoFED?

6b. What are your recommendations?

7a. Are there Finance Officers assigned to all directorates and programmes to assist with the processing PETS Forms I & II?
7b. If no to Q7a, what are of the reasons?
8. What are the internal control measures in processing:
    a. PETS Forms I & II
    b. Commitment control form
    c. Payment voucher.

9a. From our desk review (2010 – 2013 budget profiles), we observed variances between the approved budget and actual allocations. What were the reasons? (Use table on completeness)
9b. What were the actions taken with respect to the variances?
10. What are the minimum qualifications? (Note: for each of the personnel interviewed, qualifications, recent training, supervision)
11. Do you have challenges with personnel in respect of number, qualification, training, equipment, supervision etc)
12. Are there administrative challenges with respect to transfer of fund from MoFED?
    b) what actions were taken to address these challenges?
    c) Are there policies (reforms) to support these actions?

Name of Respondent	Signature	Date

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

District…… **Name of Interviewer**……..

Name of Local Council/DHMT/Hospital…….. **Date of Interview**…….

Name of Respondent…….

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

TIMELINESS OF TRANSFERS' FORM

LGFD/LCs/DHMT/HOSPITAL TO LCs/DHMT/HOSPITAL

Financial Year	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Description	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II
2010 Date Notified								
Date Received								
Comment								
2011 Date Notified								
Date Received								
Comment								
2012 Date Notified								
Date Received								
Comment								
2013 Date Notified								
Date Received								

Comment				

Signature of Respondent……..……..
Date……

TIMELINESS OF RETURNS SUBMISSIOM FORM

LOCAL COUNCILS /DHMTS/HOSPITALS

Financial Year	Quarter 1 Date submitted		Quarter 2 Date submitted		Quarter 3 Date submitted		Quarter 4 Date submitted	
Description	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II
2010								
Comment								
2011								
Comment								
2012								
Comment								
2013								
Comment								

Signature of Respondent……..……..
Date……

TIMELINESS IN ACCESSING FUNDS FORM

MOHS/ LOCAL COUNCIL/DHMT/HOSPITALS

Financial Year	Quarter 1 Date accessed		Quarter 2 Date accessed		Quarter 3 Date accessed		Quarter 4 Date accessed	
Description	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II	GoSL	RCHP II
2010								
Comment								
2011								
Comment								
2012								
Comment								
2013								
Comment								

Signature of Respondent……..……..
Date……

QUESTIONNAIRE TO INTERVIEW LOCAL COUNCILS ON THE ASSESSMENT OF FUNDS FROM MoFED TO MoHS, MoFED TO LCs, LCs TO DHMT/ HOSPITALS

Name of Interviewee…… .....

Name of Interviewer.....

Date of first visit…….....

Introduction: Teams Excellence Consultancy Services (TECS) and a Consortium of Health NGOs (CHN) {World Vision International, Save the Children International, Health for all Coalition, Freetown Wash Consortium (FWC), Budget Advocacy Network (BAN) and Evidence for Action} with the approval of Local Government Finance Department (LGFD) and Decentralisation Secretariat are conducting **an Assessment of the effectiveness and efficiency of the disbursement procedures of the Ministry of Finance and Economic Development (MoFED) to the Ministry of Health and Sanitation (MoHS) as well as Local Councils (LCs).** This assessment aims to identify obstacles and efficiency gaps that prevent timely disbursement of funds for the health sector from the national to the local level administration in Sierra Leone.

In view of the above, the research will probe into the flow of funds from MoFED to MoHS, MoFED to LCs, LCs to District Health Management Team (DHMT) and Hospitals in the country for the period: 2010, 2011, 2012 and 2013 financial years..

Please note that all the information you provide will be treated with strict confidentiality and will purely be used on an aggregated level. In addition, the information provided to us will under no circumstances be used for tax or audit purposes.

Person contacted	Designation	Supervisor	Supervisee	Date

1. *What is the legislative timeline for GoSL Grants transfers to LCs?*
   b) Is the timeline adhered to? (Probe)
2. *What is the timeline for development grants transfers to LCs?*
3. *Is LGFD adhering to the timeline for transfers of funds to LCs?*
4. *If no, what are the reasons/ challenges?*
5. Who approves GoSL Grants transfers to LCs?
6. What are the processes involve in preparation and management of transfer of GoSL Grants to LCs?
7. Does this processes applied to donor funds (RCHP II) transfers to LCs?
8. If no, what are the processes for preparation and management of transfer RCHPII Grants to LCs?
9. Are there challenges in processing transfers for RCHP II Grants to LCs?
10. Are there delays in the transfers of RCHP II Grants to LCs?
11. If yes, what are the reasons for the delays of RCHP II transfers to LCs?

12a. Are there terms and conditions attached to donor development funds (RCHP11) transfers to LCs?
b) If yes, what are the terms and conditions of transfers of donor development funds (RCHP11 funds)?

13. *Are these terms and conditions shared with the LCs?*
    b) Who developed these terms and conditions?
14. *Is there any notification sent LGFD to LCs for transfers of funds? (GoSL Grants and RCHP II)*
15. Are the LCs aware of the terms and conditions of transfers?
16. How were the terms and conditions communicated to LCs?
17. Are the LCs adhering to these terms and conditions of transfers?
18. If no, what are the key reasons/challenges not adhering to the terms and conditions?

19. What are your recommendations?
20. Are there sanctions or penalties for not adhering to the terms and condition?
21. If yes, what are these sanctions or penalty?
22. *From our desk review (2010 – 2013 budget profiles), we observed variances between the approved budget and actual allocations. What were the reasons? (Use table on completeness)*
23. *b. What were the actions taken with respect to the variances?*
24. *Use table on timeliness*
25. *What is the content of the notification document sent to LCs? Move before the timeliness table*
26.
27. What are the reasons for the delays in transfer of funds to LCs?
28. How does this delay affect smooth implementation of budget execution to LCs?
29. What are the causes of late disbursement of funds?
30. What are your recommendations?
31. What are the effects of late disbursement of funds
32. What are your recommendations?
33. Do you conduct supervision of funds flows management to LCs?
34. How often do you conduct supervision?
35. What are the areas covered in your supervision?
36. Are there administrative challenges with respect to transfer of fund from LGFD to LCs?
    b) what actions were taken to address these challenges?
    c) Are there policies (reforms) to support these actions?

Name of Respondent	Signature	Date