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bakertilly

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Our ref: S651/ank/kk

Your ref:

Date: 26 June 2019

The Permanent Secretary
Ministry of Energy
3 & 3A Pademba Road
Freetown

Dear Sir

Energy Sector Utility Reform Project
Audit of the financial statements for year ended 31 December 2018

We wish to commend management on the effectiveness of the Internal Control and Accounting System maintained throughout the reporting period.

We confirm that no reported issues were identified.

Yours faithfully

pp Derrick Kawaley
Partner

Energy Sector Utility Reform Project

Donor: The World Bank - International Development Association (IDA)
Implementing Partners: The Ministry of Energy (MoE) and the Electricity Distribution and Supply Authority (EDSA)

Financial statements

for the year ended 31 December 2018

This report contains 23 pages
Ref: 1002/sm/bow

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General information

Registered Office	:	1st Floor, Renlaw House 12 Pultney Street Freetown
Financial Management Specialist	:	Albert Ken Patewa
Permanent Secretary	:	Morie Momoh
Bankers	:	Sierra Leone Commercial Bank Limited
Auditors	:	Baker Tilly SL Baker Tilly House 37 Siaka Stevens Street Freetown
Donor	:	The World Bank – International Development Association (IDA)

Background information about the project

On 17 January 2014, the Republic of Sierra Leone ("Recipient") and the International Development Association ("Association") entered into a financing Agreement. The Association agreed to extend to the Recipient a credit in an amount equivalent to twenty-six million one hundred thousand Special Drawing Right (SDR 26,100,000) (variously, "Credit" and "Financing") to assist in financing the Energy Sector Utility Reform Project.

The objective of the Project is to improve the operational performance of the national electricity distribution utility. The Project consists of the following parts:

Part 1
Distribution Utility Capacity Enhancement and Performance Improvement
To support the establishment of a fully functioning and effective national electricity distribution utility through a Performance Based Contract for Utility Operation and Management.

Part 2
Improvement of Electricity Supply in Urban Arears
To implement a Network Rehabilitation and Upgrade Investment Plan ("NRUIP") designed to improve the quality and reliability of the national electricity utility's power distribution network, to include:

(a.) Reinforcement, rehabilitation and extension of the primary medium voltage ("MV") distribution network, including:
  (i) rehabilitating and operationalizing 33 Kilovolt ("KV") substations;
  (ii) carrying out of repairs and upgrading of underground cables;
  (iii) upgrading of overhead lines;
  (iv) designing of new feeders; and
  (v) carrying out of appropriate tests.

(b.) Reinforcement, rehabilitation and extension of priority secondary MV and low voltage ("LV") distribution network, including supply and installation of appropriate equipment such as 11KV switchgear; 11KV/400V transformers; conductors; service cables; poles; line hardware; LV panels and associated protection devices, auto-reclosers and load break switches.

Part 3

Sector Planning Assistance, Project Implementation Support, and Monitoring and Evaluation

(a) Provision of technical advisory services of the Ministry of Energy for; (i) (A) preparation and/or review of pre-feasibility and feasibility studies focusing on potential investments in power generation, including all types of primary energy sources; and (B) preparation of urgent investments under the NRUIP; and (ii) monitoring and evaluation, in particular: (A) monitoring and assessing the performance of the Contractor under Part 1 of the Project; and (B) carrying out the impact evaluation of the project.

(b) Strengthening the capacity of the Project Management Unit through the provision of technical advisory services, goods, non-consulting services, training and operating costs.

Management's responsibility statement

Management is responsible for the preparation and presentation of the financial statements, comprising the statement of financial position at 31 December 2018, and the statements of resources and expenditure, income and expenditure, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with the accounting policies stated in note 2 of the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Approval of the financial statements

The financial statements were approved by management on 27/6/.....2019 and signed on its behalf by:

Permanent Secretary
Ministry of Energy

Financial Management Specialist
Energy Sector Utility Reform Project

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Independent Auditor's report to the Government of Sierra Leone

Opinion

We have audited the financial statements of the Energy Sector Utility Reform Project which comprise the statement of financial position as at 31 December 2018, statement of resources and expenditure, the statement of income and expenditure, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 19.

In our opinion, the financial statements give a true and fair view of the financial position of the Energy Sector Utility Reform Project as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with the accounting policies adopted by the project as stated in note 2 of the financial statements.

In addition, in our opinion the accompanying special/designated account statement on pages 22 and 23 presents fairly, in all material respects, the funds received and disbursements made from the special /designated account of the project for the year ended on 31 December 2018, in accordance with the accounting convention as described in the note above.

Basis for Opinion

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

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

Management is responsible for the preparation and presentation of these financial statements in accordance with the significant accounting policies stated in note 2 of the financial statements, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditor's report to the Government of Sierra Leone (continued)

Auditors' responsibility for the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the organisation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organisation's audit. We remain solely responsible for our audit opinion.

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Independent Auditor's report to the Government of Sierra Leone (continued)

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

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

Other matter

The financial statements have been prepared in accordance with the accounting policies stated in note 2 of the financial statements, for the purpose of determining the financial position of Energy Sector Utility Reform Project for use by its management and International Development Association, and the financial statements and related auditor's report may not be suitable for another purpose. Our report is intended solely for the management of Energy Sector Utility Reform Project and International Development Association and should not be distributed to or used by parties other than the management of Energy Sector Utility Reform Project and International Development Association.

The Engagement Partner on the audit resulting in this independent auditors' report is Derrick L Kawaley.

Baker Tilly

Chartered Accountants

Freetown

Date: 28 June 2019

Statement of resources and expenditure

(PMU/MoE Special Account number 003001014214030130)

for the year ended 31 December 2018

	Notes	Year to 31 December 2018 Le'000	Year to 31 December 2018 USD	Year to 31 December 2017 Le'000	Year to 31 December 2017 USD	Cumulative as 31 December 2018 Le'000	Cumulative as 31 December 2018 USD
Resources						-	-
Balance brought forward		**24,028,436**	**3,203,792**	21,913,306	3,045,473	**60,941,885**	**9,719,320**
Remittance from IDA	*14*	**20,183,619**	**2,609,163**	22,626,947	3,085,081		
		44,212,055	**5,812,955**	44,540,253	6,130,554	**60,941,885**	**9,719,320**
Expenditure							
Project support cost	*6*	**5,222,645**	**643,316**	600,450	82,253	**12,244,194**	**1,688,571**
Communication	*7*	**173,265**	**22,139**	65,608	8,928	**241,933**	**31,749**
Media, printing and copying	*8*	**47,195**	**5,985**	23,004	3,443	**93,859**	**13,197**
Fuel and other utility cost	*9*	**159,727**	**20,576**	210,071	28,474	**373,960**	**49,975**
Other operating cost	*10*	**59,284**	**7,699**	41,574	5,695	**118,858**	**16,394**
Consultancy cost	*11*	**26,775,925**	**3,380,562**	20,255,843	2,762,555	**47,031,768**	**6,143,117**
Total expenses		**32,438,041**	**4,080,277**	21,196,550	2,891,348	**60,104,572**	**7,943,003**

The notes on pages 12 to 19 are an integral part of the financial statements.

Statement of resources and expenditure ((PMU/MoE Special Account number 0030010142140301 30) (continued)

For the year ended 31 December 2018

	Notes	Year to 31 December 2018 Le'000	Year to 31 December 2018 USD	Year to 31 December 2017 Le'000	Year to 31 December 2017 USD	Cumulative as 31 December 2018 Le'000	Cumulative as 31 December 2018 USD
Result before net finance		**11,774,014**	**1,732,678**	23,343,703	3,239,206	**837,313**	**1,776,317**
Net finance gain/(cost)	*12*	**1,381,861**	**(157,122)**	684,733	(35,414)	**12,318,562**	**(200,761)**
		13,155,875	**1,575,556**	24,028,436	3,203,792	**13,155,875**	**1,575,556**
Represented by:							
Bank balance		**13,155,875**	**1,575,556**	24,028,436	3,203,792	**13,155,875**	**1,575,556**

These financial statements were approved by management on 27/6/ **.....2019**

.....) Financial Management Specialist

.....) Permanent Secretary

The notes on pages 12 to 19 are an integral part of the financial report

Statement of income and expenditure

for the year ended 31 December 2018

	Notes	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	Year to 31 December 2018 USD	Year to 31 December 2017 USD
Grant income	*14*	**30,104,349**	11,151,468	**4,236,703**	2,926,762
Other income (net)	*12*	**2,609,839**	946,524	**(8)**	293
Total income		**32,714,188**	12,097,992	**4,236,695**	2,927,055
Expenditure					
Project support cost	*6*	**5,222,645**	600,450	**643,316**	82,253
Communication	*7*	**173,265**	65,608	**22,139**	8,928
Media, printing and copying	*8*	**47,195**	23,004	**5,985**	3,443
Fuel and utility costs	*9*	**159,727**	210,071	**20,576**	28,474
Other operating costs	*10*	**59,284**	41,574	**7,699**	5,695
Consulting cost	*11*	**26,775,925**	20,255,843	**3,380,562**	2,762,555
Bank charges	*12*	**1,227,978**	261,791	**157,114**	35,707
Total expenditure		**33,666,019**	21,458,341	**4,237,391**	2,927,055
Result for the year		**(951,831)**	(9,360,349)	**(696)**	-

The notes on pages 12 to 19 are an integral part of the financial statements

Statement of financial position

As 31 December 2018

	Notes	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	Year to 31 December 2018 USD	Year to 31 December 2017 USD
Asset					
Bank balance	*13*	**13,155,875**	24,028,436	**1,575,556**	3,203,792
Total assets		**13,155,875**	24,028,436	**1,575,556**	3,203,792
Equity					
Accumulated fund		-	951,831	-	696
Total equity		-	951,831	-	696
Liabilities					
Deferred income	*14*	**13,155,875**	23,076,605	**1,575,556**	3,203,096
Total liabilities		**13,155,875**	23,076,605	**1,575,556**	3,203,096
Total equity and liabilities		**13,155,875**	24,028,436	**1,575,556**	3,203,792

These financial statements were approved by management on 27/6/ **2019**

.....) Financial Management Specialist

.....) Permanent Secretary

The notes on pages 12 to 19 are an integral part of the financial statements

Statement of changes in equity

As 31 December 2018

	Accumulated fund	
	Le'000	**USD**
At 1 January 2017	10,312,180	696
Result for the year	(9,360,349)	-
At 31 December 2017	951,831	696
At 1 January 2018	**951,831**	**696**
Result for the year	**(951,831)**	**(696)**
At 31 December 2018	**-**	**-**

The notes on pages 12 to 19 are an integral part of the financial statements

Statement of cash flow

For the year ended 31 December 2018

	Notes	**Year to 31 December 2018 Le'000**	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Result for the year		**(951,831)**	(9,360,349)	**(696)**	293
Adjustment for:					
Net finance (gain)/cost	*12*	**(1,381,861)**	(684,733)	**157,122**	35,414
		(2,333,692)	(10,045,082)	**156,426**	35,707
Changes in deferred income		**(9,920,730)**	11,475,479	**(1,627,540)**	158,026
		(12,254,422)	1,430,397	**(1,471,114)**	193,733
Interest received		**4,163**	20,040	**536**	2,741
Interest and charges paid		**(1,232,257)**	(287,457)	**(157,658)**	(39,217)
Other income		-	7,755	-	1,062
Net cash used in operating activities		**(13,482,516)**	1,170,735	**(1,628,236)**	158,319
Cash flow from financing activities		-	-	-	-
Cash flow from investing activities		-	-	-	-
Net (decrease) / increase in cash and cash equivalent		**(13,482,516)**	1,170,735	**(1,628,236)**	158,319
Effect of exchange rate fluctuation		**2,609,955**	944,395	-	-
At 1January		**24,028,436**	21,913,306	**3,203,792**	3,045,473
Cash and cash equivalents at 31 December	13	**13,155,875**	24,028,436	**1,575,556**	3,203,792

The notes on pages 12 to 19 are an integral part of the financial statements

Notes to the financial statements

1. Reporting entity

The Energy Sector Utility Reform Project was implemented in Sierra Leone by the Ministry of Energy and the Electricity Distribution and Supply Authority (EDSA). The registered address is 1st Floor, Renlaw 12 Pultney Street Freetown Sierra Leone.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the International Public Sector Accounting Standard (IPSAS) Financial Reporting under the Cash Basis of Accounting.

2.2 Functional and presentation currency

These financial statements have been presented in Leones which is the functional currency of the project and the United States Dollar (USD) the functional currency of the Donor. All financial information presented in Leones has been rounded to the nearest thousand, except when otherwise indicated.

2.3 Expenditure

Expenditures are reported in the statement of expenditure on a cash basis. They are amounts paid during the reporting period in respect of expenses incurred on programme activities.

2.4 Foreign currency transactions

Foreign currency transactions are accounted for at the rate of exchange prevailing on the date at which the transactions were recorded. All gains and losses arising are taken to the income and expenditure statement. The closing exchange rate for United States Dollars as at 31 December 2018 was Le8,350 which was the indicative midrate of the Sierra Leone Commercial Bank as at 31 December 2018 (2017: Le 7,499)

2.5 Deferred grant income

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2.6 Cash and cash equivalent

This refers to the USD balance on the Special Account bank account held with the Sierra Leone Commercial Bank.

Notes to the financial statements *(continued)*

3. Disbursements (International Development Association (IDA)

Reference number	Date	USD	Amount Leones (000)
ESUP 001	19-Jun-15	**4,000,000**	**18,012,920**
ESUP 002	20-Nov-15	**21,648**	**97,486**
ESUP 003	03-Aug-16	**3,428**	**20,913**
ESUP 004	22-Feb-17	**2,799**	**20,291**
ESUP 005	12-Apr-17	**951,524**	**6,946,128**
ESUP 006	11-Apr-17	**19,194**	**140,115**
ESUP 007	14-Aug-17	**6,008**	**43,860**
ESUP 008	14-Aug-17	**662,067**	**4,833,087**
ESUP 009	14-Aug-17	**199,234**	**1,454,410**
ESUP 010	04-Sep-17	**396,300**	**2,892,991**
ESUP 011	22-Dec-17	**325,274**	**2,415,156**
ESUP 012	22-Dec-17	**294,891**	**2,189,570**
ESUP 013	22-Dec-17	**227,790**	**1,691,339**
ESUP 014	05-Feb-18	**259,897**	**1,949,224**
ESUP 015	29-Mar-18	**562,226**	**4,216,696**
ESUP 016	29-Mar-18	**481,420**	**3,610,648**
ESUP 017	30-May-18	**239,833**	**1,810,742**
ESUP 020	30-May-18	**306,613**	**2,314,929**
ESUP 024	21-Sep-18	**72,781**	**596,075**
ESUP 022	21-Sep-18	**287,990**	**2,358,637**
ESUP 029	21-Dec-18	**398,403**	**3,326,668**
		9,719,320	**60,941,885**

4. Energy Sector Utility Reform Project EDSA Special account

There was no disbursement from IDA into the EDSA Special account during the year.

5. Grant income

	Year to 31 December 2018 **Le'000**	Year to 31 December 2017 Le'000	Year to 31 December 2018 **USD**	Year to 31 December 2017 USD
Remittance from IDA	**20,183,619**	21,458,341	**2,609,163**	2,927,055
	20,183,619	21,458,341	**2,609,163**	2,927,055

Notes to the financial statements *(continued)*

6. Project support cost

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Vehicle	-	584,000	-	80,000
Electricity equipment	**5,134,193**	16,450	**632,516**	2,253
International training	**88,452**	-	**10,800**	-
	5,222,645	600,450	**643,316**	82,253

7. Communication

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Communication expenses	**173,265**	65,608	**22,139**	8,928
	173,265	65,608	**22,139**	8,928

8. Media, printing and copying

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Media and stationery expenses	**47,195**	23,004	**5,985**	3,443
	47,195	23,004	**5,985**	3,443

Notes to the financial statements *(continued)*

9. Fuel and other utilities

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Fuel	**67,728**	42,273	**8,663**	5,755
Vehicle Maintenance	**25,995**	5,044	**3,345**	691
Office Equipment Maintenance	**3,920**	-	**489**	-
Vehicle License and Insurance	**1,202**	43,729	**156**	5,990
Office expenses	**28,984**	3,650	**3,772**	499
Electricity expenses	**2,000**	4,000	**269**	539
Generator & Other Utility Cost	**29,254**	-	**3,796**	-
Rent	-	111,375	-	15,000
	159,083	210,071	20,490	28,474

10. Other operating costs

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Audit fees	**59,284.00**	41,574	**18,000**	5,695
	59,284	41,574	**18,000**	5,695

11. Consultancy cost

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	**Year to 31 December 2017 USD**
Consultancy fees	**26,775,925**	20,255,843	**3,380,562**	**2,762,555**
	26,775,925	20,255,843	**3,380,562**	**2,762,555**

Notes to the financial statements *(continued)*

12. Net finance income/(cost)

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Exchange gain	**2,609,955**	944,395	**-**	-
Interest income	**4,163**	20,040	**536**	2,741
Interest expenses	**(4,279)**	(25,666)	**(544)**	(3,510)
Miscellaneous income	**-**	7,755	**-**	1,062
	2,609,839	946,524	**(8)**	293
Bank charges	**(1,227,978)**	(261,791)	**(157,114)**	(35,707)
Net finance income/(cost)	**1,381,861**	684,733	**(157,122)**	(35,414)

Miscellaneous income represents money deposited into the project's Sierra Leone Commercial Bank account, the source of which is unknown to management.

13. Cash and cash equivalent

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Bank balance	**13,155,875**	24,028,436	**1,575,556**	3,203,792
	13,155,875	24,028,436	**1,575,556**	3,203,792

Notes to the financial statements *(continued)*

14. Deferred income

	Year to 31 December 2018 Le'000	Year to 31 December 2017 Le'000	**Year to 31 December 2018 USD**	Year to 31 December 2017 USD
Balance at 1 January	**23,076,605**	11,601,126	**3,203,096**	3,044,777
Remittance from IDA	**20,183,619**	22,626,947	**2,609,163**	3085081
	43,260,224	34,228,073	**5,812,259**	6,129,858
Transferred to income statement	**(30,104,349)**	(11,151,468)	**(4,236,703)**	(2,926,762)
	13,155,875	23,076,605	**1,575,556**	3,203,096
Represented by:				
Bank balance	**13,155,875**	**24,028,436**	**1,575,556**	**3,203,792**
Accumulated fund	**-**	**(951,831)**	**-**	**(696)**
	13,155,875	**23,076,605**	**1,575,556**	**3,203,096**

Notes to the financial statements *(continued)*

15. Direct payment

The following direct payment to suppliers were made by the International Development Association (IDA) during the year.

WB/ Trans No	Application						Category Summary	Paid			USD Equivalents	Date Received
	Borrower Reference	Beneficiary Name	Type	Ccy	Appl Pymt Amt	Appl Doc Amt		Ccy	Paid Amt	Doc Amt		
25	ESURP028	AS TAVRIDA ELECTRIC EXPORT	Direct Payment	EUR	267,291.00	267,291.00	1	EUR	267,291.00	267,291.00	306,475.86	06-Dec-2018
24	ESURP027	T AND D POWER SOLUTIONS LIMITED	Direct Payment	USD	276,494.40	276,494.40	1	USD	276,494.40	276,494.40	276,494.40	26-Nov-2018
23	ESURP026	HERBERT SMITH FREEHILLS LLP	Direct Payment	USD	353,414.83	353,414.83	2	USD	353,414.83	353,414.83	353,414.83	22-Nov-2018
20	ESURP023	KHATIB AND ALAMI CONSULTING	Direct Payment	USD	209,555.56	209,555.56	1	USD	209,555.56	209,555.56	209,555.56	12-Jun-2018
17	ESURP019	T AND D POWER SOLUTIONS LIMITED	Direct Payment	USD	1,188,874.00	1,188,874.00	1	USD	1,188,874.00	1,188,874.00	1,188,874.00	02-May-2018

Notes to the financial statements *(continued)*

16. Contingencies

There were no contingencies as at 31 December 2018. (2017: Nil)

17. Commitments

Commitments at the reporting date was USD 6,695 in respect of fees for the audit of the project financial statements for the year ended 31 December 2018 (2017: USD 6,695)

18. Subsequent events

Events subsequent to the reporting date are affected only to the extent that they relate directly to the financial reporting and the effect is material. There were no significant events as at the date the financial report was approved.

bakertilly

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Opinion on the Statement of expenditure submitted for the year ended 31 December 2018

We have audited the Statement of Expenditures of the Energy Sector Utility Reform Project, funded by the International Development Association (IDA), submitted in support applications for reimbursement for expenditure in accordance with the IDA Agreement letter.

Our examination was made in accordance with International Standards on Auditing and accordingly included such tests of the accounting records, verification of assets and liabilities, review of systems of internal controls and other auditing procedures that we considered necessary in the circumstances.

Opinion

In our opinion, the Statement of expenditure, the supporting summary sheet and information submitted with them can be relied upon to support the applications for grant disbursement by the International Development Association (IDA) for expenditure incurred for the purposes of the project as specified in the above-mentioned IDA Agreement Document.

Baker Tilly

Chartered Accountant

Freetown

Date 28 June 2019

Statement of disbursement reconciliation
International Development Association (IDA)

Mode of disbursement	Reference number	Value date	Amount requested USD	Amount disbursed by IDA in USD	Amount disallowed USD	Amount received in special account USD
2018						
Advance to special account						
	ESUP 014	05 February 2018	**259,897**	**259,897**	-	**259,897**
	ESUP 015	29 March 2018	**562,226**	**562,226**	-	**562,226**
	ESUP 016	29 March 2018	**481,420**	**481,420**	-	**481,420**
	ESUP 017	30 May 2018	**239,833**	**239,833**	-	**239,833**
	ESUP 020	30 May 2018	**306,613**	**306,613**	-	**306,613**
	ESUP 024	21 September 2018	**72,781**	**72,781**	-	**72,781**
	ESUP 022	21 September 2018	**287,990**	**287,990**	-	**287,990**
	ESUP 029	21 December 2018	**398,403**	**398,403**	-	**398,403**
Total for 2018			**2,609,163**	**2,609,163**	-	**2,609,163**

Statement of disbursement reconciliation
International Development Association (IDA) (continued)

	Reference number	Value date	Amount requested USD	Amount disbursed by IDA in USD	Amount disallowed USD	Amount received in special account USD
Mode of disbursement						
Advance to special account						
	ESUP 004	22-Feb-17	2,799	2,799	-	2,799
	ESUP 005	12-Apr-17	951,524	951,524	-	951,524
	ESUP 006	11-Apr-07	19,194	19,194	-	19,194
	ESUP 007	14-Aug-17	6,008	6,008	-	6,008
	ESUP 008	14-Aug-17	662,067	662,067	-	662,067
	ESUP 009	14-Aug-17	199,234	199,234	-	199,234
	ESUP 010	04-Sep-17	396,300	396,300	-	396,300
	ESUP 011	22-Dec-17	325,274	325,274	-	325,274
	ESUP 012	22-Dec-17	294,891	294,891	-	294,891
	ESUP 013	22-Dec-17	227,790	227,790	-	227,790
Total for 2017			3,085,081	3,085,081	-	3,085,081

PMU/MoE Special account statement

for the year 31 December 2018

Account No: 0030010142140301 30

Depository bank: Sierra Leone Commercial Bank (SL) Limited

Address: Siaka Stevens Street, Freetown

Currency: United States Dollars

Account Activity

Grant from International Development Association (IDA)

In United States Dollars	2018	2017
Balance at 1 January	**3,203,792**	3,045,473
Funds transferred by IDA	**2,609,163**	3,085,081
Other income (Net)	**(8)**	293
Interest income	**5,812,947**	6,130,847
Expenditure:		
Project support cost	**(643,316)**	(82,253)
Communication	**(22,139)**	(8,928)
Media, printing and copying	**(5,985)**	(3,443)
Fuel and other utility costs	**(20,576)**	(28,474)
Other operating costs	**(7,699)**	(5,695)
Bank charges	**(157,114)**	(35,707)
Consultancy cost	**(3,380,562)**	(2,762,555)
Total expenditure	**(4,237,391)**	(2,927,055)
Balance as at 31 December	**1,575,556**	3,203,792

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Report of the Independent Auditors on the Project's PMU/MoE USD Special account statement - Account number 003001014214030130

Opinion

In our opinion, the receipts are properly accounted for and the withdrawals were made for the purpose of the project in accordance with the grant agreement.

The special account statement gives a true and fair view of the ending balance for the year ended 31 December 2018.

In accordance with the provisions of the terms of reference of this audit, we confirm as follows:

- Funds provided to the project have been used for their intended purposes.
- The special account of the project has been maintained in accordance with the provisions of the Grant Agreement and with disbursement rules and procedures.

Baker Tilly

Chartered Accountants

Freetown

Date: 28 June 2019