



## Public Expenditure and Financial Accountability (PEFA) 2017 - Sierra Leone

Sierra Leone has maintained its progress on Public Financial Management reform over the last two decades. An analysis of changes since 2014 shows more improvements in scores than deteriorations, however a range of weaknesses were identified that have impacted on fiscal discipline (the ability to stay on track), on strategic allocation of resources (alignment with the Agenda for Prosperity), and on efficient delivery of services.

### What is PEFA?

PEFA provides a standardised, evidenced based assessment of Public Financial Management (PFM) performance. PEFA is the most commonly used international assessment tool for PFM, having been carried out in nearly all developing countries, and a number of middle and high income countries. A PEFA assessment measures the extent to which PFM systems, processes and institutions contribute to the achievement of desirable budget outcomes:

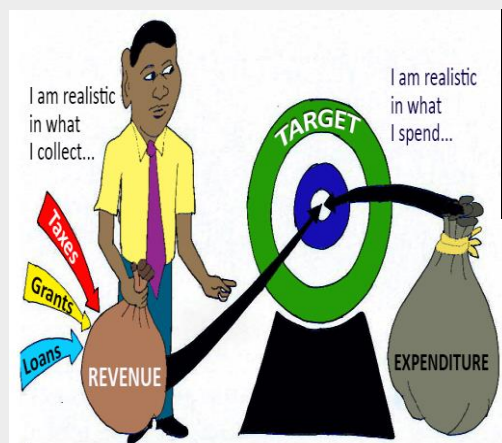
- Aggregate fiscal discipline, ■ Strategic allocation of resources, and ■ Efficient service delivery

PEFA assessment have been carried out internationally since 2005. The assessment framework was updated and enhanced in 2011 and in 2016. This 2017 assessment uses the 2016 assessment framework. Previous assessments were carried out in Sierra Leone in 2007, 2010, 2014. In the scoring method, M1 represent weakest link method, while M2 represent average method.

### Results of the 2017 Assessment – by Pillar

Pillar	Indicator Scoring								Score	No.
I. Budget Reliability	C+	D	D						A	2
II. Transparency of Government	A	A	B	D	D	D			B+	0
III. Management of Assets and Liabilities	D+	D+	D+	D+					B	4
IV. Policy Based Fiscal Strategy and Budgeting	B	C+	C+	C+	C				C+	8
V. Predictability and Control in Budget	B	C+	C+	D+	D+	D+	D	D	C	1
VI. Accounting and Reporting	B	C+	D+						D+	9
VII. External Scrutiny and Audit	C+	D+							D	7

### Pillar I - Budget reliability



PFM Performance Indicator		Scoring Method	Dimension Ratings				Overall Rating
			1.	2.	3	4	
PI-1	Aggregate expenditure out-turn	M1	D*				D
PI-2	Expenditure composition out-turn	M1	D*	D*	D*		D
PI-3	Revenue out-turn	M2	A	D*			C+

#### Key findings:

- High composition variances between original budgets and out-turns for revenue and expenditure. This is partly due to frequent 'overrides' to the procedures for control of commitments and payments
- Government expenditure variance has improved slightly, however because donor expenditure is not yet included in the consolidated fund dimensions of PI-1 and PI-2 were scored as D\* (insufficient information). Had they been included the overall rating would have improved.
- Expenditure has exceeded budget in each year, with a declining trend
- High variance in expenditure which is due to the following;
  - Politically directed expenditure on unplanned projects and contracts
  - Budgets, particularly procurement budgets, are not well prepared



The quality assurance process followed in the production of this report satisfies all the requirements of the PEFA Secretariat and hence receives the 'PEFA CHECK'.

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