

Bank of Sierra Leone

Financial Statements
for the year ended 31 December 2011

*This report contains 60 pages
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General information

Board of directors : Mr. Sheku S. Sesay - Governor
Ms. Andrina R. Coker - Deputy Governor
Dr Morie K. Manyeh
Dr Sandy A. Bockarie
Mr. Dalton F. Shears
Mr. Harold Hanciles
Mrs. Marian Kamara
Mr. Sorie N. Dumbuya

Registered office : 30 Siaka Stevens Street
Freetown

Solicitor : Renner-Thomas & Co.
Adele Chambers
15 Lamina Sankoh Street
Freetown

Secretary of the board : Mr. Henry E.P Musah

Auditors : KPMG
Chartered Accountants
Bicentenary House
17 Wallace Johnson Street
Freetown
Sierra Leone

Report of the directors

The directors have pleasure in submitting their report to the Government of Sierra Leone together with the audited financial statements for the year ended 31 December 2011.

Principal activity

The principal activity of the Bank is to:

- (a) formulate and implement monetary policy, financial regulation and prudential standards;
- (b) act as banker, adviser and fiscal agent of the Government;
- (c) formulate and implement the foreign exchange policy of Sierra Leone;
- (d) conduct foreign-exchange operations;
- (e) own, hold and maintain the official international reserves including the reserves of gold
- (f) issue and manage the currency of Sierra Leone;
- (g) establish, promote, license and oversee sound and efficient payment and securities settlement systems;
- (h) license, register, regulate and supervise financial institutions as specified in the Bank of Sierra Leone Act or any other enactment and;
- (i) act as a depository for funds from international organizations.

Director's responsibility statement

The Bank's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2011 and the statements of comprehensive income, 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 International Financial Reporting Standards, and in the manner required by the Bank of Sierra Leone Act 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error .

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Share capital

Details of the Bank's share capital are shown in note 28 to these financial statements.

Results for the year and appropriation

Loss for the year was Le 51.6 billion. (2010: profit of Le 256.6 billion restated). No appropriation is made as required by Section 13 of the Bank of Sierra Leone Act 2011 as the Bank incurred a net loss.

Report of the directors (continued)

Audit Committee

The Audit Committee comprising non-executive directors is responsible for oversight function over the audit mechanism, internal control system and financial reporting system. The Audit committee meets quarterly to review and monitor the implementation of recommendations in the internal audit reports, external auditors' management letters and other oversight reports like the IMF Safeguards Assessment Reports.

Monetary Policy Committee

The Monetary Policy Committee is the highest policy making body in the Bank on monetary policy matters. Chaired by the Governor of the Bank, this committee meets monthly to review developments in the economy and their implications for monetary management. It takes decisions on the level of the key policy rate of the Bank, the Monetary Policy Rate (MPR) to signal to the market the stance and direction of the Bank's Monetary Policy in seeking to achieve the primary objective of price stability.

Banking Supervision Technical Committee

This committee is responsible to direct and deliberate on the operations of all financial institutions.

Foreign Assets Committee

The Foreign Assets Committee meets quarterly and has responsibility to deliberate on issues relating to foreign assets of the Bank, review exchange control regulations relating to capital account transactions, monitor and maintain the external reserves to safeguard the internal value of the legal currency, and formulate policies that support monetary and exchange rate management.

Project Monitoring Committee

The Project Monitoring Committee is responsible to monitor ongoing projects implemented by the Bank and make appropriate recommendations to management and board of directors.

Property and equipment

Details of the Bank's property and equipment are shown in notes 20 to these financial statements.

Employment of disabled people

The Bank does not discriminate against a qualified individual with disability with regards to recruitment, advancement, training, compensation, discharge or other terms, conditions or privileges of employment.

