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MANAGEMENT AND FUNCTIONAL REVIEW

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PETROLEUM DIRECTORATE

Final Report



AUGUST 1, 2018

**ACRONYMS**

Admin -Administrative

CV - Curriculum Vitae

DG - Director General

HR - Human Resource

PD - Petroleum Directorate

R&D - Research and Development

MTEF- Medium Term Expenditure Framework

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## **1. EXECUTIVE SUMMARY**

Following the request by the Ministry of Finance for a review of six (6) Extra Budgetary Agencies, the Public Sector Reform Unit in collaboration with the Human Resource Management Office (HRMO) and the Anti-Corruption Commission (ACC) undertook a management and functional review of these agencies which include: Petroleum Regulatory Agency (PRA), Road Maintenance Fund Administration (RMFA), Environment Protection Agency (EPA), National Telecommunications Commission (NATCOM), Sierra Leone Maritime Administration (SLMA) and Petroleum Directorate (PD). The Review Team was tasked with the responsibility of conducting systems and processes review for these Agencies.

The methodology of the review for the Petroleum Directorate included meetings, interviews, desk review and administering of questionnaires for soliciting of information.

The Petroleum Exploration and Production Act 2001 as amended in 2011 led to the establishment of the Petroleum Directorate. The Act mandated the PD to monitor and regulate the upstream oil and gas sector.

The current organisational structure depicts the following units of varied specialised areas: Senior Petroleum Engineers (Geoscientist, Geologist and Geophysicist), Senior Petroleum Economist, Senior Legal Counsel, Monitoring and Compliance Manager, Accounting Manager, Admin Manager and Executive Assistant to the DG.

Though the Directorate is yet to realize its full staff complement, there has been a lot of progress in relation to staff fit. There has been a lot of training extended to Technical as well as non-Technical staff to enhance their career development.

The Directorate has job descriptions for each position. However, these job descriptions lack standardization. There is need for a review of these job descriptions to ensure standardization.

The Review Team noted that there are recruitment gaps and the need for more competitive recruitment process.

The Review Team also noted that the Asset Register presented was satisfactory as it provides information on date of purchase, description, location, cost, depreciation rate etc. However, it does

not provide us information on major servicing schedules. The team therefore **recommended** a comprehensive Asset Register that includes all major servicing schedules.

The Petroleum Directorate Act placed on the Director General wide range of discretionary authorities including the unilateral power to increase salaries of staff, and as a consequence employees in equal positions face wide discrepancies in their incomes and conditions of service. The Review Team support the notch system but recommend that the system be implemented more fairly such as the institution of a performance appraisal committee to assess and recommend staff for movement up the notches.

Petroleum Directorate is faced with a serious challenge regarding their public image. It was noted that there is a prevalent misconceptions about the role of the PD and its relevance to economic development in the country. Partly in response to this challenge, senior management meetings, workshops and collaboration among units have been beefed up. However, these efforts are still not enough to tackle the enormous challenge. Improvement is needed in areas such as general staff meetings, radio and television programmes. Also, there is need for a communication strategy to guide effort aimed at dispelling the misconceptions.

### **1.1 Introduction**

The Petroleum Directorate, formally the Petroleum Resources Unit (PRU), was set up following the promulgation of the Petroleum Exploration and Production Act 2011 as amended. According to this Act, the core function of the Directorate is to monitor and regulate petroleum operations in the country. Generally, the Directorate assess prospective holders of petroleum right, review proposed reconnaissance, exploration and appraisal work plans, plans for development and operation and plans for decommissioning, review budget submitted by a holder of petroleum right, participate in tender process and negotiations of petroleum licenses and in the administration of petroleum rights, ensure holders of petroleum rights uphold laws, regulations, rules and contract terms for successful enhancement of petroleum exploration and production.

Recently, the Directorate has released new offshore acreage using a competitive tendering process. This has enticed many companies to bid. Award of these blocks will significantly expand the scope of operations of the Directorate.

With the Petroleum Directorate spearheading effort to transition the oil and gas industry into a high-reliable organization, there is need for it to be capacitated with the necessary skills to effectively regulate the industry. This will also enable the accomplishment of positive outcomes in a smooth and sustainable manner.

### **1.2 Purpose for the Review**

The specific objective was to ensure credibility and sustainability of the wage bill and efficient and effective financial management and administration of the Petroleum Directorate.

### **1.3 Legal Framework**

The Petroleum Exploration and Production Act 2011 as amended established the Petroleum Directorate with the statutory responsibility for regulating the upstream oil and gas sector. It also ensures that all petroleum operators comply with the applicable petroleum legislation and any other regulation(s) or guideline(s) governing upstream oil and gas operations in Sierra Leone.

### **1.4 Methodology**

The research for this report was carried out using the following approach:

#### ***Meeting/Interview***

The review team held an initial meeting with senior management of the PD to provide insight and information on the processes and objectives of the assignment. This was to create awareness and get the buy-in of the management and staff of the Directorate.

This was followed by individual interviews to clarify issues related to roles and responsibilities. These interviews were recorded but the anonymity of the interviewees was kept confidential.

#### ***Documents Review***

Key documents and legislations reviewed:

- The Petroleum Exploration and Production Act 2001
- The Petroleum Exploration and Production Act 2011
- The strategic plan 2014-2018
- The Action plan 2018
- Terms and Conditions of Service
- Draft Training policy

- Short-Medium (Current) and Medium-Long (Future) term organizational structure of the Directorate
- Current staff list
- Current payroll
- Financial statements- 2015 and 2016

### ***Questionnaire***

Questionnaires were administered via focal person to staff as part of administrative processes and systems to solicit additional information on the operations of the PD

## **2.0 DIRECTORATE’S MISSION, VISION AND STRATEGIC PLAN**

### ***2.1 Mission***

“To facilitate the optimal exploration and development of Sierra Leone’s Petroleum Resources for the long-term benefit of its people, through the development of regulatory guidelines and monitoring contract compliance, having due regard for the economy, the environment, safety, technology, as well as investor concerns”.

### ***2.2 Vision***

“The Directorate hopes to become a transparent and accountable government institution capable of making Sierra Leone the safest and environmentally friendly Upstream Petroleum Investment Country in West Africa”

### ***2.3 Strategic Plan***

The Directorate in 2014 adopted a five years strategic plan for the period 2014-2018 which set out its objectives, outputs, planned activities and timelines. A number of objectives have been identified, with the overarching goal of effective management of Sierra Leone’s petroleum resources. These objectives include:

- Strengthened regulatory framework and compliance enforcement
- Building the requisite institutional capacity- this involve aligning its organizational structure to its strategic goals, development of petroleum training policy and establishment of R&D Department
- Expanded scope of oil and gas exploration

- National revenue base expanded
- Safeguarded inter-generational equity
- Scaling up the local content of oil and gas exploration
- Enhancement of corporate governance
- Attraction of fresh crop of reputable IOCs in E&P activities

These objectives in turn inform the Directorates annual activities and priorities as reflected in the 2018 Action Plan. The objectives are wide ranging, and to be delivered in the timeframe requires considerable resources in terms of human resource and finance. The current strategic plan timeframe ends in 2018.

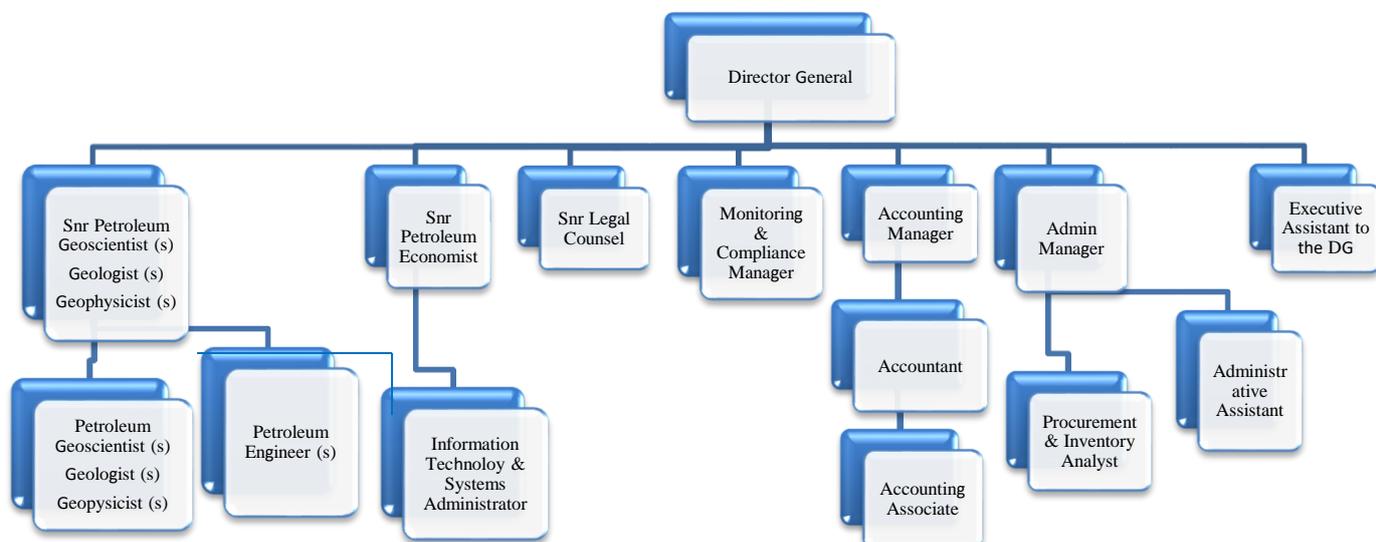
We **recommend** for the Directorate to initiate a review of the current strategic plan with a view to replacing this with a more robust strategic plan. It is fundamental that the activities, as indicated, are properly costed and budgeted.

### 3. ORGANISATIONAL STRUCTURE OF THE DIRECTORATE

#### 3.1 Current Organizational Structure

The Directorate has two approved structures for both the Short-Medium Term (Pre-commercial Discovery Period) and the Medium-Long Term (Post-commercial Discovery Period). These structures are meant to guide the structural arrangements of the Directorate in both periods. For the purpose of this review, the short – medium term organizational structure will be assessed.

**Figure 1: Current Structure of the Petroleum Directorate**



As observed, the existing organizational structure (Pre-commercial Discovery Period structure) has seven (7) senior officers reporting to the Director General. These senior officers are: Senior Petroleum Engineers (Geologist, Geophysicist and Geoscientist), Senior Petroleum Economist, Senior Legal Counsel, Monitoring and Compliance Manager, Accounting Manager, Admin Manager and Executive Assistant to the DG. Though the current structure does not make provision for a Director, the President recently appointed a Director of Finance to manage the Directorate's finances. According to the Act, senior officers are to be appointed by the President of the Republic of Sierra Leone in consultation with the Public Service Commission. This implies that the President is the direct supervising officer or line manager of the Director-General, and has an overarching supervision of all senior staff.

The Directorate's core functions and the following have been used to assess the current organizational structure: compactness, accountability/transparency and staff advancement.

**a. Compactness**

As observed, there are too many officers reporting directly to the Director-General. Having seven senior officers reporting to the Director General makes the structure compact. Based on workload analysis, it was revealed that the functions performed by some of these positions are not sufficient to justify why they should be reporting directly to the Director General. For instance, having the Legal and Compliance positions separated had left them with very little job to do. These positions can be merged in a seamless manner since, among others, the work of legal feeds into compliance, and skills can be leveraged.

**b. Accountability/Transparency**

There are no functional units/divisions within the Directorate. Ideally, there should be units/divisions within the Directorate. By having units/divisions within the Directorate, it clearly defines responsibilities, and as a consequence enhances accountability and transparency in the achievement of deliverables.

**c. Staff Advancement**

The current organizational structure does not create entry point and define career path for some positions. These positions include Senior Legal Counsel, Monitoring and Compliance Manager, Senior Petroleum Economist, Information Technology & Systems Administrator, Procurement & Inventory Analyst, Petroleum Engineer, Administrative Assistant and

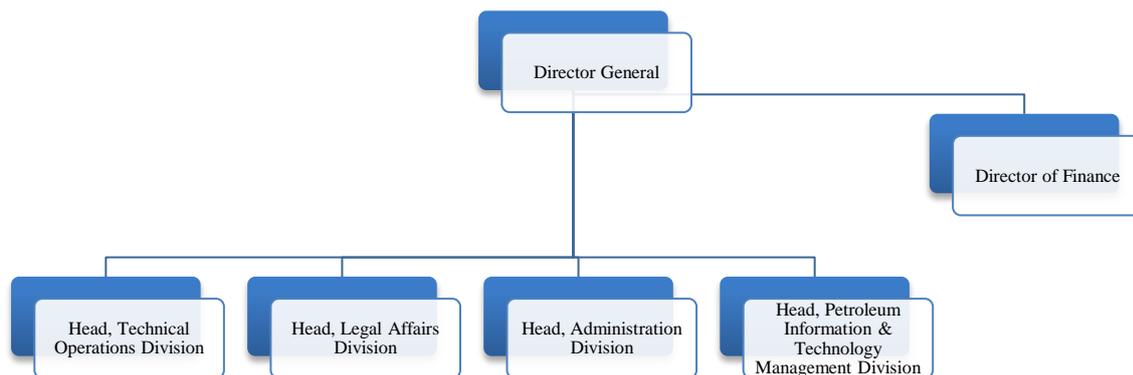
Executive Assistant to the DG. As such, holders of these positions have been stagnated for long without promotion. By not creating entry point and defining career path, it can lead to demotivation and eventually lower productivity.

The proposed organizational structure of the Directorate should define career path for all the jobs within the Directorate. This will, among others, enhance motivation and productivity. It will also relive senior officers of certain responsibilities which have to be handled by a junior officer.

### 3.2 Proposed Organizational Structure and Function

Based on the review of the existing structure, the proposed organizational structure was developed having in mind the following areas of improvement: compactness, accountability/transparency and staff advancement.

**Figure 2: Proposed Basic Structure of the Petroleum Directorate**



- a. **Compactness:** The proposed organizational structure (**see annex 1**) is less compact. It has five Divisions: Finance, Technical Operations, Legal Affairs, Administration, and Petroleum Information and Technology Management. The existing structure has seven senior positions- Senior Petroleum Engineers, Senior Petroleum Economist, Senior Legal Counsel, Monetary and Compliance Manager, Accounting Manager, Admin Manager and Executive Assistant to the Director-General. By creating divisions within the Directorate and trimming it to five will make the Directorate less condensed.

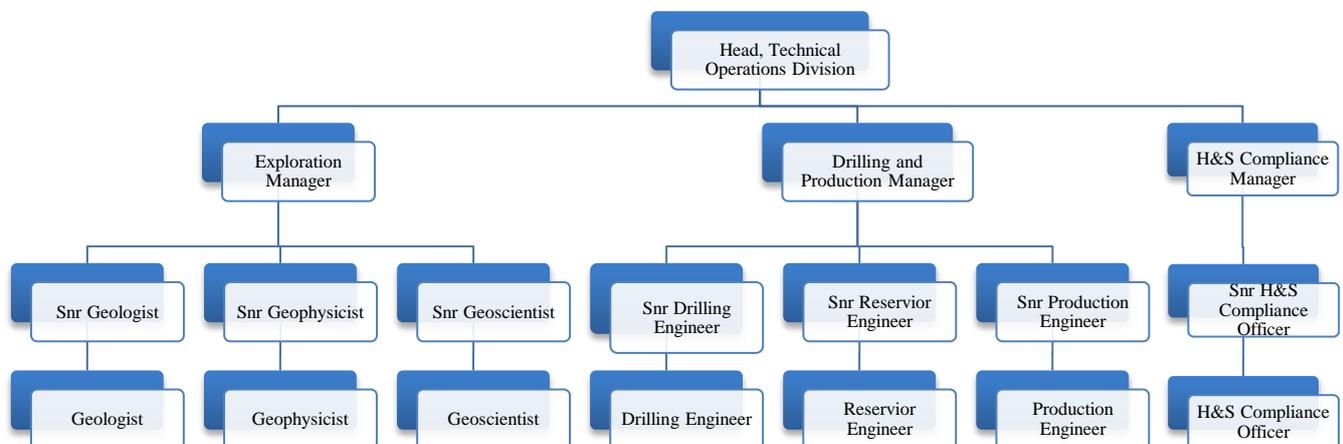
- b. Accountability/Transparency:** The proposed organogram has created divisions/units within the Directorate and each assigned with specific responsibility. By doing so, the level of transparency and accountability has been enhanced.
- c. Staff Advancement:** The proposed structure has Divisions/ units within the Directorate which create a path of advancement for staff.

Based on the above, therefore, the Review Team **recommended** that the legal and compliance should be merged to reflect the proposed organogram. We also **recommend** that the skills of the Executive Assistant to the DG should be leveraged by the Administrative Division.

### Technical Operations Division

This Division has responsibility for overseeing the planning, coordination and execution of technical processes involve in locating oil and gas, conducting geological and geophysical studies and drilling of exploration wells. The work of Technical Operations Division is assigned to three units: Exploration, Drilling and Production and Environmental Health and Safety Compliance.

**Figure 3: Proposed Organizational Structure of the Technical Operations Division**



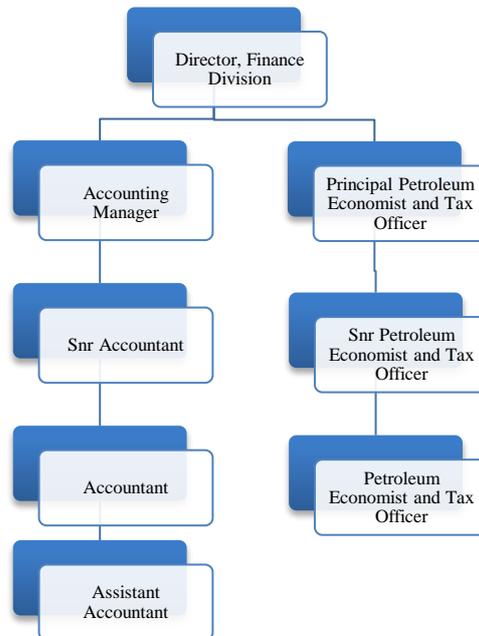
- a. Exploration Unit:** This unit is responsible for the accumulation and analysis of geological and geophysical data that will aid decision-making on whether a particular area is of interest.
- b. Drilling and Production Unit:** It is mainly responsible for exploratory drilling and development drilling.

- c. **Environmental Health and Safety Compliance Unit:** The core function of the Unit is to ensure that petroleum operations are in full compliance with statutory requirements of a sound health, safety and environment practice. This means that it shall ensure the health and safety of employees, population at large, environment, communities and assets.

### Finance Division

The principal responsibility of the Finance Division is to ensure prudent financial management in accordance with the law. Its function is to provide financial, economic and tax analysis services to the Directorate.

**Figure 4: Proposed Organizational Structure of the Finance Division**



- a. **Account Unit:** The unit has responsibility to prepare annual budget of the Directorate, manage the account of the Directorate, receipts and payment process.
- b. **Petroleum Economist and Tax Unit:** Its responsibility is to advice on commercial/economic and tax matters as they relate to oil and gas operations.

## Legal Affairs Division

The work of the Legal Affairs Division is, among others, to ensure compliance with laws in the conduct of business within the Directorate, gives legal opinion on all matters referred to, review and draw up legal documents, negotiate and prepare agreements.

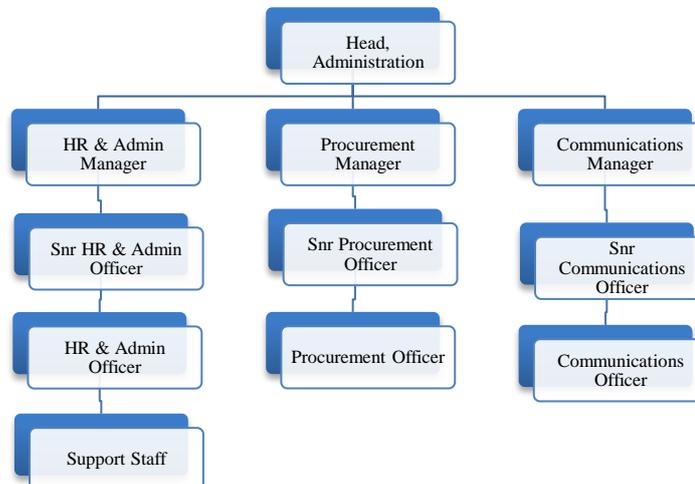
**Figure 5: Proposed Organizational Structure of the Legal Affairs Division**



## Administrative Division

The Administrative Division will oversee various administrative activities and functions of the Directorate including human resource, procurement and public relations. A simple proposed organizational structure and a brief description of the unit under the division are provided to better understand the structure.

**Figure 6: Proposed Organizational Structure of the Administrative Division**



- a. **Human Resource and Admin Unit:** The Unit has responsibility for developing and implementing administrative as well as human resource management policy. In essence, it develops procedures for recruitment, training and career development and evaluation of staff performance.
- b. **Procurement Unit:** The Procurement Unit is responsible for handling the activities related to the purchase of goods and supplies for the Directorate.
- c. **Communications Unit:** The Communications Unit is responsible, among others, for internal and external communications, promotion of Directorate's image and management of Directorate's archival records.

**Figure 7: Proposed Organizational Structure of the Petroleum Information & Technology Management Division**



- a. **Petroleum Information and Technology Management Unit:** The purpose of this unit is to provide IT support and supervise the IT system for the effective and efficient management of geological and geophysical data. Its functions include collection, storage and marketing of data generated by exploration and production activities. The Petroleum Information and Technology Management Unit is also responsible for managing and updating maps of the mining areas.

#### 4. STAFF ASSESSMENT

The staff strength of the Directorate is thirty-five (35). The senior and middle level constitutes 26% of the staff each while 48% are junior level staff. All 35 staff were assessed which covered a review of the job descriptions, educational qualifications and skills. The rationale is to mention the relevance

of their qualifications and skills against the job they perform. Based on the analysis, the following outcomes were revealed:

- i. The job descriptions reviewed were elaborate and lack standardization. It only outlines the task and responsibilities of the role and made no mention of other essential areas such as educational requirement, skills, experience etc. The essence of every job description is, among others, to reveal information on the duties to be performed, the minimum qualification required, skills or competencies the potential role holder should possess. There is need therefore to review the current job descriptions, with the view to including those elements which are missing.
- ii. Skills set/training: the skill set of the staff in the Directorate is impressive. All the senior officers that were reviewed have postgraduate qualification in relevant fields, mainly in oil and gas management. This has been helped by the training policy of the Directorate which is focused on improving the technical skill levels of existing staff so as to reduce reliance on external expert.

We **recommend** that the existing job description is reviewed to ensure standardization and elimination of tasks that are not reflective of the position.

## **5 ADMINISTRATIVE SYSTEMS AND PROCESSES**

Administrative systems and processes of an organization establish efficiency, consistency, responsibility and accountability. For the Petroleum Directorate, the key administrative areas of concern that were reviewed are: recruitment, human resource, procurement, asset management, records management, payroll, financial management/control and revenue generation.

### **5.1 Recruitment**

At the time this review was conducted, there was freeze on recruitment ordered by the Government. This implies that recruitment for new staff had not been done for a certain period. However, existing staff were probed on the processes of their recruitment.

In a large amount of recruitment cases this research investigated, it was realized that recruitment procedures were not followed. The normal practice of the Directorate was to only recruit candidate in positions who had submitted their CVs beforehand. Further effort was not made to attract

candidates to apply for positions within the Directorate. For example, one would expect the Directorate to advertise any job vacancy on national and international platforms so as to attract other qualified candidate to apply, but this was not done for majority of the recruitment it did.

The rationale for the practice was that certain jobs in the Petroleum Directorate are unique and hard-to-find. However, one is constrained to understand such rationale when non-technical positions were filled using the same approach.

We therefore **recommend** that the PD ensure fair and competitive recruitment process

## **5.2 Human Resource**

The Human Resource activities of the Directorate are being performed by the Admin Manager and assisted by the Administrative Assistant. They are supposedly responsible for delivering a range of activities including performance management, training and career development, recruitment, remuneration, organizational development and HR strategy, payroll processing, among others. One would expect the Admin Manager and Team to be spearheading these activities, but it is not the case. The review team noted that the HR function in the Directorate was traditional, focused on HR's traditional administrative role. In going forward, the HR function of the Directorate should also encompass strategic functions relating to the development of HR policies.

The Directorate has thirty-five (35) staff, thirty-four (34) of them are permanent and one (1) is on secondment. There is a personnel record/file in place for each staff, which is managed by the Confidential Secretary. This personnel record/file reveals information such as date of appointment, academic qualification (s), training attended, medical report etc, and can be traced manually.

## **5.3 Accounting/Finance**

The system of accounting and financial reporting was based on International Accounting guidelines established by the International Accounting Standards Board (IASB). There are rules as to how income and expenses should be incurred and accounted for. For example, income generated from surface rent and other incomes are accounted for on a receipt basis, while expenses incurred by the Directorate are accounted for on an accrual basis. There are yearly financial statements, which are generated in fulfillment of the Petroleum Exploration and Petroleum Act 2011 and the Government Budgeting and Accountability Act 2015. Financial record keeping and report generation are based on International Accounting Standards. With the integration of the Petroleum

Directorate into the government system, there is need for a review of the Directorate's accounting method.

We **recommend** that the Finance Division should operate on the current Government accounting system relating to revenue and expenditure.

#### **5.4 Procurement**

As a public entity, the Petroleum Directorate is guided by the Public Procurement Act 2016 as amended.

We **recommend** that the Directorate maintain an effective procurement system and processes for the procurement of goods, services and works. This could also mean that a procurement committee is set up to review all procurements matters to ensure value for money.

#### **5.5 Asset management**

A register of assets in both manual and electronic version exists. The register contains date of purchase, description, location, cost, No. of years, depreciation rate, accumulated depreciation net book value and opening accumulated depreciation. Though the current register appears to be satisfactory, there is need to have a register showing major servicing schedules. This information will help design routine maintenance and replacement schedules.

For effective management of the asset within the Directorate we **recommend** that the responsibility for the management of asset becomes the responsibility of the Administrative Division. We also **recommend** that the register should include another column showing major servicing schedules for routine maintenance and replacement.

#### **5.6 Records Management**

The Directorate has a record system in place. Management of these records of the Directorate is done through electronic and manual systems. Geophysical data are stored through an electronic system, while other records are done through manual filing, storage and retrieval system. The movement of the records/files is tracked through a manual system. The flipside is that records are not properly filed. This may be because there are no qualified designated record personnel in the Directorate to undertake the task.

We therefore **recommend** that in-service training on records management be conducted for staff of the Directorate. We **recommend** that an officer be trained and designated with the task.

We further recommend for the introduction of an electronic database suitable for the management of the Directorate's human resources

### **5.7 Payroll**

Though the current payroll (June 2018) was requested, the Directorate only submitted the January 2018 payroll. Analysis of this payroll revealed massive disparity in salary: There are instances of disparity in salaries of positions with similar responsibilities. This was evident with all levels in the Directorate. For instance, the Senior Accounting Manager is paid a salary far higher than the Senior Admin Manager. The situation is the same for similar positions such as Senior Geophysicist and Senior Petroleum Economist, Senior Drivers, Drivers and Messengers.

The main reason given for the disparity is the implementation of a salary system based on notches. The notch system is implemented to reward good performance, but it could be used to disadvantage others and undeservedly reward others. Another reason for the disparity was based on the provision which gives the Director General the right to move employees on more than one notch within a year.

We **recommend** that the salary structure is harmonized to ensure staff with equal qualification and responsibilities are remunerated equally. We also **recommend** that the provision which gives the Director General the prerogative to set and increase salaries of staff is reviewed to ensure fairness in its execution.

### **5.8 Financial management/control**

**Budget Committee:** The review noted the existence of a Budget and Finance Committee tasked with ensuring financial prudence. This Committee consists of the Director of Finance who serves as Chairman, Accounting Manager as Secretary and three (3) other members. With the incorporation of the Directorate into the Government sphere, one would expect the budgeting process to be guided by the Medium-Term Economic Framework (MTEF).

**Internal Audit:** The Review Team noted that there is no Internal Audit system in place. The audit of the Directorate, including a review of the systems of internal control

and transactions, is carried out by the Audit Service Sierra Leone. Considering the level of revenue generated by the Directorate, one would expect that an Internal Audit Unit is set up to help with internal controls. The Internal Audit will be accountable to the Board of Directors.

We **recommend** that the Directorate plans are linked to the Medium-Term Expenditure Framework system.

In relation to internal controls, we **recommend** that an Internal Audit Unit is established and, as stated above, be accountable to the Board of Directors.

### **5.9 Revenue Generation**

The sources of revenue for the Petroleum Directorate include:

- Surface rent
- Training fund
- Sale of geophysical data
- Assignment fees
- Signature bonus and
- Technology bonus

Revenues generated from these sources were retained by the Directorate and used on administrative expenses such as salaries, utilities, office supplies etc. However, it was reported that monies were remitted on request to the Central Government.

With the introduction of the Single Treasury Account, the Directorate no longer handles monies. All the revenues generated by clients on behalf of the Directorate are deposited into the Consolidated Account.

This can be illustrated below:

**Table 1: Statement of comprehensive income and expenditure for 2014-2016**

	2014	2015	2016
<b>INCOME(Le '000)</b>			
Surface Rental	10,213,733	4,063,922	3,133,185
Other Income	133,988,758	28,072,737	6,799,299
	<b>144,202,491</b>	<b>32,136,659</b>	<b>9,932,484</b>
Exchange gain/loss			23,619,540
<b>Total Income</b>	<b>144,202,491</b>	<b>32,136,659</b>	<b>33,552,024</b>
<b>EXPENDITURE (Le '000)</b>			
Transfer to CRF	70,028,000		
Personnel/Staff Cost	7,703,655	8,548,628	11,559,781
Administrative	8,685,395	35,671,800	17,447,052
<b>Total Expenditure</b>	<b>86,417,050</b>	<b>44,220,428</b>	<b>29,006,833</b>

**Source: Financial Statements: 2015 & 2016**

Table 1 shows the Surface Rental Income, Other Income, Petroleum Directorate Administrative expenditure that includes Personnel/Staff cost from 2014- 2016.

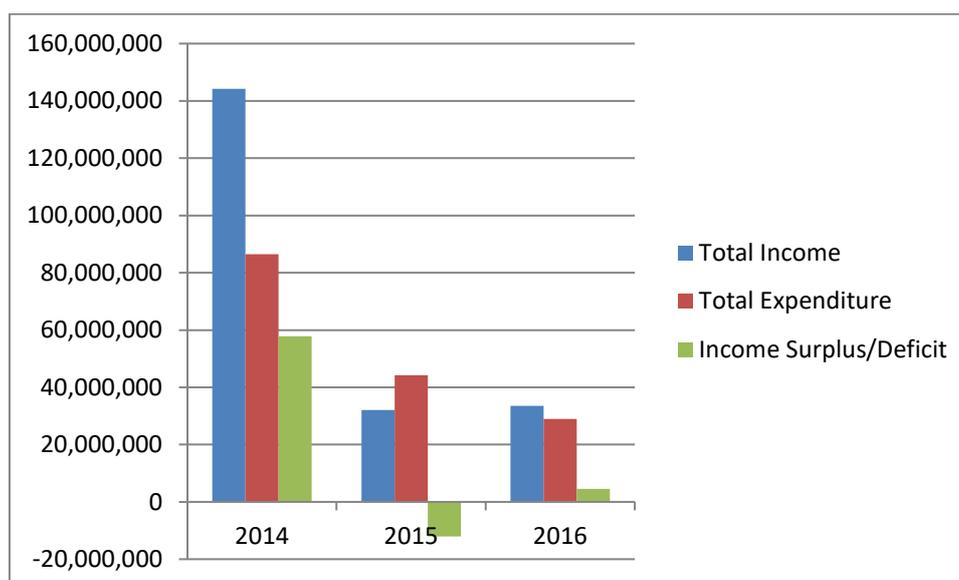
**Table 2: Total Income versus Total Expenditure: 2014-2016**

	2014	2015	2016
Total Income	144,202,491	32,136,659	33,552,024
Total Expenditure	86,417,050	44,220,428	29,006,833
<b>Yearly Surplus/Deficit</b>	<b>57,785,441</b>	<b>-12,083,769</b>	<b>4,545,191</b>

**Source: Financial Statements: 2015 & 2016**

Table 2 indicates total income received as against the expenditure incurred by PD for the period 2014 to 2016. In 2014, total income received was Le 144,202,491 and what was expended was Le 86,417,050. This showed a surplus of Le 57,785,441 that indicated as 40% of the total income. In 2015, total income received was Le 32,136,659 and what was recorded as expenses was Le 44,220,428. This showed a deficit of Le 12,083,769 that indicated as 37.6%. In 2016, total income received including exchange rate gain was Le 33,552,024 and what was expended was Le 29,006,833. This showed a surplus of Le 4,545,191 that indicated as 13.5%. Furthermore, the financial statement of the PD from 2014- 2016 can be represented graphically.

**Figure 8: Financial statement of the Petroleum Directorate from 2014-2016**



From the graphical illustration, it is evident that the PD's Expenditure in 2015 outweighed the income received unlike for 2014 and 2016.

## 6 INTERNAL AND EXTERNAL COMMUNICATIONS

As with any organization, effective internal and external communication are crucial mechanisms in ensuring the organization can effectively achieve its strategic objectives. The review noted that external communication has not been effective as it could be. This is predominantly due to the Directorate not being able to create a public relations system and an effective communication strategy. This has consequently encouraged misconceptions about the role of the Petroleum Directorate and its relevance to economic development in the country.

Partly in response to this challenge, senior management meetings, workshops and collaboration among units have been beefed up. However, these efforts are still not enough to tackle the enormous challenge. The key areas that need improvement are: general staff meetings—this should be structured to provide information regarding outcomes of activities undertaken by the Directorate; radio and television programmes—this should be organized to report on the development of the oil and gas industry so as to dispel misconceptions.

We **recommend** that a communication strategy is developed and implemented with the aim of dispelling the misconception of stakeholders about the role of the Petroleum Directorate and its relevance to economic development in the country. This could be achieved through meeting with

senior management to report on implementation progress of divisional work plans, radio and television programmes to report on the evolution of the oil and gas industry.

## 7 SUMMARY OF RECOMMENDATIONS

- Based on the review of the mission and vision of the Directorate, it is fundamental that the organizational structure of the Directorate is in sync with its mission and vision.
- We **recommend** for the Directorate to initiate a review of the current strategic plan with a view to replacing this with a more robust strategic plan. It is fundamental that the activities, as indicated, are properly costed and budgeted.
- As observed from the proposed organogram, there has been a merger and expulsion of two positions. These positions are the Monitoring and Compliance Manager and the Executive Assistant to the DG respectively. In view of this, we **suggest** that the jobholders of these positions are assigned to Divisions where their skills can be leveraged. Based on staff assessment carried out, the skills of the Monitoring and Compliance Manager and Executive Assistant to the DG can be leveraged in the Legal Affairs and Administrative Division, respectively.
- We **recommend** that the existing job description is reviewed to ensure standardization and elimination of tasks that are not reflective of the position. Also, we **recommend** that other areas of importance such as the minimum qualification, experience, skills/competencies etc. be included in the job description.
- We therefore **recommend** that the PD should ensure a fair and competitive recruitment process.
- We **recommend** that the HR function is performed by the Administrative Division to ensure that new HR policies are developed and old policies amended. Also, it was **recommended** that administration be viewed as a strategic partner.
- We further **recommend** for the introduction of an electronic database suitable for the management of the Directorate's human resources.
- We **recommend** that the Finance Division should operate on the current Government accounting system relating to revenue and expenditure.
- We **recommend** that the Directorate adhere to National Public Procurement Act 2016 as amended.
- For effective management of the asset within the Directorate we **recommend** that the responsibility for the management of asset becomes the responsibility of the Administrative Division. We also **recommend** that the Asset Register should include another column showing major servicing schedules.

- We **recommend** that in-service training on records management be conducted for staff of the Directorate. We further **recommend** that an officer be trained and designated with the task.
- We **recommend** that the salary structure is harmonized to ensure staff with equal qualification and responsibilities are remunerated equally. We also **recommend** that the provision which gives the Director General the prerogative to set and increase salaries of staff is reviewed to ensure fairness in its execution.
- We **recommend** that the Directorate plans are linked to the Medium Term Expenditure Framework system. In relation to internal controls, we **recommend** that an Internal Audit Unit is established and, as stated above, be accountable to the Board of Directors.
- We **recommend** that a communication strategy is developed and implemented with the aim of dispelling the misconception of stakeholders about the role of the Petroleum Directorate and its relevance to economic development in the country. This could be achieved through meeting with senior management to report on implementation progress of divisional work plans and, radio and television programmes to report on the evolution of the oil and gas industry.

## **ANNEX 1**

### **LIST OF TABLES**

**Table 1:** Statement of comprehensive income and expenditure for 2014 – 2016

**Table 2:** Total income versus Total expenditure 2014 – 2016

## **ANNEX 2**

### **LIST OF FIGURES**

**Figure 1:** Current structure of the Petroleum Directorate

**Figure 2:** Proposed (Basic) organizational structure of the Petroleum Directorate

**Figure 3:** Proposed organizational structure of the Technical Operations Division

**Figure 4:** Proposed organizational structure of the Finance Division

**Figure 5:** Proposed organization structure of the Legal Affairs Division

**Figure 6:** Proposed organizational structure of the Administrative Division

**Figure 7:** Proposed organizational structure of the Petroleum Information and Technology Management Division

**Figure 8:** Financial Statement of the Petroleum Directorate from 2014 – 2016

**Annex 3:**

**MANAGEMENT AND FUNCTIONAL REVIEW**

**QUESTIONNAIRE**

The purpose of this questionnaire is to determine the nature of the overall strategy and structure of the MDA to enable the MFR team to identify key issues and determine the approach to further research and interview. Please complete questions as thoroughly as possible. A member of the team will be available to answer questions and assist as necessary. Call 079-146847/078-850882; Please use additional paper to provide answers if necessary.

NAME OF ORGANISATION:.....

NAME OF POST HOLDER: .....

DEPT/ UNIT: .....

JOB TITLE:.....

LOCATION:.....

DATE: .....

TEL (MOB/LAND): .....

EMAIL.....

Please answer the following questions as comprehensively as possible. If there is insufficient space to answer fully any question, please record your name and relevant additional comments on the last page or on a separate sheet of paper and attach it with you name and number.

**SECTION A: LEGAL FRAMEWORK, MANDATE, MISSION AND VISION**

1. Please provide a copy of the legal instrument or any document(s) relevant to the formation and work of the institution
  
2. Please state the following clearly (in writing) in relation to the institution

Mandate:

Mission:

Vision:

As head of a department, division or unit within the MDA, provide your specific mandate/purpose/objectives as it relates to the achievement of the institution's overall mandate (Add additional sheets if necessary)

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### **SECTION B: FUNCTIONS**

3. Please list the main functions of the department, division or unit within the MDA for which you are responsible. These are the key activities that are undertaken which deliver the mandate. (Add additional sheets if necessary).

a. \_\_\_\_\_

b. \_\_\_\_\_

c. \_\_\_\_\_

4. To improve efficiency and effectiveness, which of the functions recorded at 4 above could be (Technical/Professional staff):

Expanded \_\_\_\_\_

Outsourced \_\_\_\_\_

Privatized \_\_\_\_\_

Commercialized \_\_\_\_\_

Stopped \_\_\_\_\_

5. How is the annual work plan developed, distributed, coordinated and monitored?

---

---

6. Please state any operational problem(s) encountered in carrying out the functions of your department, division or unit within the MDA.

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7. How could procedures, processes and systems be improved to deal with these problems and improve efficiency and effectiveness in the performance of duties and service delivery?

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**SECTION C: COORDINATION AND INTERNAL RELATIONS**

8. Which are the other departments/divisions/units within the MDA with which you collaborate in the performance of functions?

---

---

9. What, if any, difficulties do you experience (including overlaps or duplications of effort).

---

---

10. What, if any, can be done to improve areas of collaboration with other departments/divisions/agencies/units:

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**SECTION C: COORDINATION AND EXTERNAL RELATIONS**

11. Which are the other institutions/Govt MDAs/ outside of yours with which you collaborate in the performance of functions?

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---

12. What, if any, difficulties do you experience (including overlaps or duplications of effort).

---

---

13. What, if any, can be done to improve areas of collaboration with these institutions/agencies:

---

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14. What programmes or projects are you responsible for? (Add additional sheets if necessary)

Funding Agency	Programme/Project	Objectives	Institution's Role	Budget	Status

15. State, if any, successes and challenges of such a project (s).

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**SECTION D: ORGANISATION/ OPERATIONAL STRUCTURE**

16. Please provide us with an organizational structure (diagram that presents lines of authority and reporting) for your unit/dept.

17. In terms of supervision, who do you report to?

18. Who report to you? If any?

19. Do you/or your department/agency/unit operate from more than one office? Yes /No  
If yes, where are they located?

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**SECTION E: HUMAN RESOURCE MANAGEMENT, RECORDS MANAGEMENT, STAFFING, TRAINING AND CAPACITY BUILDING**

20. Please provide information on the staff strength under your supervision, including name, sex, post, date of 1<sup>st</sup> appointment, and qualifications

Table 1. Please complete for staff under your supervision \*(by grade if applicable)

NAME	Position	Sex	STATUS (permanent, temporary, contract, casual)	DOB	Date Of Appt	Qualifications	End of Appointme nt for Contract Officers
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21. Please explain the recruitment process.

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22. Do you have a specific Terms of Reference and/or Job Description that defines your role and responsibilities at this MDA?

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23. Please state any challenges you currently face with the staffing situation in your dept/unit

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24. Do you have a training and capacity building policy?

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25. How often do you conduct training needs assessment?

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26. Please provide a list of training(s) undertaken by staff for the past 3 years

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27. How do you appraise the performance of your staff?

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**SECTION F: ICT, AND STAKEHOLDER/CITIZEN ENGAGEMENT**

Essential Equipment		Current Condition				Number Needed
Type	Available	Good	Needs Repair	Obsolete	Not Available	

28. Current IT Equipment Capacity in your unit/dept

29. What IT facilities do you require for your work that are lacking?

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30. Please provide a justification for your additional IT requirements. (e.g. How will service delivery be affected or improved?)

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31. What are the modes of communication internally/externally

- a. Your unit within the MDA
- b. Other units in the MDA
- c. Board
- d. Senior Management
- e. Other Ministries
- f. Govt, Agencies/Parastatals operating in your sector
- g. Human Resource Management Office
- h. Public Service Commission
- i. Ministry of Finance and Economic Development
- j. National Assets and Government's Property Commission
- k. National Commission for Privatization
- l. Development partners
- m. Public/Community
- n. Any other MDA/ organization/ agency/

32. How does the public communicate their interest and/or concerns to your MDA?

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33. Please state any challenges in your interaction with any of your stakeholders/partners/clients/general public.

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34. How can communication be improved to increase customer service and satisfaction and be more effective:

a. Internally

---

b. With other MDAs

---

c. With your key clients/ primary beneficiaries

---

d. With the general public

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**SECTION G: FINANCE, BUDGETING AND PROCUREMENT**

35. Please state any sources of revenue generation in your unit/dept

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36. Do you set annual revenue target? Yes/no

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37. If yes, how much have you been able to generate for the past three (3) years?

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38. How do you normally account for the revenue generated?

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39. Is the Agency/Commission part of the Annual Budgetary process organized by Ministry of Finance? Yes/no

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40. If no, explain the budget formulation process including any challenges for your unit/dept

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41. Please state, if any, challenges encountered with revenue generation.

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42. Explain the processes used for procuring goods, equipment, and services in your unit/dept

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**PLEASE PROVIDE ANY ADDITIONAL INFORMATION THAT COULD HELP THE REVIEW TEAM IN UNDERSTANDING YOUR WORKING ENVIRONMENT**

**Thank you very much for your cooperation**

Annex 4

Job Analysis Questionnaire

<b>MANAGEMENT AND FUNCTIONAL REVIEWS FOR SELECTED EXTRA BUDGETARY AGENCIES</b> <b>Job Analysis Questionnaire</b>	
<b>JOB DETAILS</b>	
<b>Name of Interviewee (s)/Jobholder:</b>	<b>Date:</b>
<b>Job Title:</b>	<b>Supervisor/Manager Title:</b>
<b>Agency:</b>	<b>Department:</b>
<b>Unit:</b>	<b>Salary Scale:</b>
<b>Job Summary:</b> Describe the purpose of your job in 2-3 sentences (what do you do and why do you do it?)	
<b>Key Duties:</b> Briefly describe the duties/responsibilities of your job. Please list these duties in order of importance and include the estimated percentage of time spent or required for each activity.	
<b>Duty/responsibility</b>	<b>Estimated Percentage of time (%)</b>
<b>Occasional duties:</b> In bullet form, list any additional duties that the job holder would be required to carry out in the position on an infrequent/occasional basis.	

**Staff responsibility:** Draw a simple organogram to show your position, the job-titles of whom you report to, and those that report directly to you. Indicate the number of staff in each of these positions.

**No. of direct reports:**

**Responsibility:** Identify quantitative factors for your job, such as **equipment, finances (budget responsibility), consumable stocks** and other major factors that indicate the scope and complexity of your job. Also indicate your specific level of responsibility with regards to those quantitative factors.

**Equipment**

**Finances (Budget Responsibility)**

**Consumable stocks**

**Judgement and Decision-Making:** Describe the level of decision-making authority for your job. Distinguish between decisions/recommendations referred to someone else and those where you have the final authority.

**Educational Requirements:** Indicate the *minimum* education level required to perform this job. Please do not describe your own education levels, rather it should be the **minimum** required to successfully perform the job.

**Related Job Experience/Qualifications:** List the *number* of years or previous work experience required to successfully perform your job. Please do not describe your own skills and experience, rather it should be the **minimum** amount required to perform the job.

**Additional skills:** In bullet form, please list any additional skills needed **in addition to** the experience and educational requirements listed above. Please elaborate.

**Mental skills:** This section considers the degree to which the job requires problem solving, extent of planning and the level of creativity required to do their job

**Contacts:** Indicate the nature and frequency of contact the job has with colleagues within the organisation (internally) and with external parties (externally).

**Work environment:** What is the nature of your work environment (exposure to heat, cold, noise, fumes, etc.)? Does the job require frequent travel? If so, describe nature and frequency of travel. Are you exposed to any hazard as a direct result of your job? Is your job physically demanding? Indicate the nature and frequency of leisure disruption in your job (working unplanned overtime or weekends, travelling/working away from home, vacation disruptions), if any.

**Additional Information:** Please provide any additional information that you did not include in any of the above sections that would aid in ensuring that this job description represents an accurate and complete picture of the job.

**Annex 5.** Proposed Organisational Structure of the Petroleum Directorate

