

# MANAGEMENT AND FUNCTIONAL REVIEW OF THE PETROLEUM REGULATORY AGENCY

## PUBLIC SECTOR REFORM UNIT (PSRU)

*August 2018*

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## **GLOSSARY**

ACC- Anti Corruption Commission

ACCA- Association of Certified Chartered Accountant

ASSL- Audit Service Sierra Leone

HRMO- Human Resource Management Office

MDAs- Ministries, Departments and Agencies

MFRs- Management and Functional Reviews

NPPA- National Public Procurement Authority

NRA- National Revenue Authority

OMCs- Oil Marketing Companies

PRA- Petroleum Regulatory Agency

PSRU- Public Sector Reform Unit

## EXECUTIVE SUMMARY

Following the request made by the Ministry of Finance (MoF) in June 2018, to conduct Management and Functional Reviews (MFRs) for selected Extra Budgetary Agencies, the Petroleum Regulatory Agency (PRA) has been classified as one of these agencies.

To address this request, the Public Sector Reform Unit (PSRU) conducted the MFR process taking into account the systems, processes and financial disposition of the PRA. To conduct this review process, a joint monitoring team comprising of the Public Sector Reform Unit (PSRU), Human Resource Management Office (HRMO) and the Anti-Corruption Commission (ACC) was setup to conduct the MFR and inform the MoF accordingly.

This report reviews the functions, management and the financial arrangement of the PRA aimed at addressing Public Financial Management (PFM) reforms and to ensure credibility and sustainability of the wage bill. Many of the findings of the MFR focus from the structures to the financial arrangement of the PRA. However recommendations have been proffered to address the findings of this review

In view of the above, the Agency's organizational structure comprises of two Units and a Board; Finance and Administration Unit and Operations Unit. The Finance and Administrative unit coordinates the administrative functions whilst the Operations unit provides the technical support to the Agency. However, the team noted that the Finance and Administrative unit has a clear reporting lines in supporting the overall objective of the PRA.

On the other hand, it was noted that the Registration and Compliance is under the supervision of the Operations Unit (see organogram) and the questionnaire that was administered to the Registration and Compliance Manager showed that the Registration and Compliance is a separate unit. Therefore, it was proposed that the Registration and Compliance functions outlined in the questionnaire are incorporated into the core functions of the Operations Unit for clarity.

With respect to the communication strategy, the Agency has a functional relationship with a number of institutions, though the coordinating mechanisms needs to be strengthen. Therefore, it was noted that the Agency holds regular meetings with key stakeholders and also develop a comprehensive Communication Strategy that expresses the vision and methods of PRA outreach activities.

In terms of revenue generation, the Agency mainly secure funds generated from License fees for downstream operations and the Petroleum Unit funds. However, it was noted that the PRA's Expenditure in 2016 and 2017 outweighed the income received unlike for 2015. It was also observed that total income fluctuate over the time period whilst the expenditure pattern keep on rising.

