A Framework for Sierra Leone Media Revenue Generation, Resource Mobilization, Sustainability and Accountability

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A study commissioned by the Media Reform Coordinating Group-Sierra Leone (MRCG-SL) with support from UNDP

Contents

1. Background

In a discussion paper titled "More than money: Rethinking Media Viability in the digital age", Peter Deselaers, Kyle James, Roula Mikhael and Laura Schneider say

> *It is no exaggeration to say that many news outlets around the world—in both the Global North and South—find themselves locked in an existential struggle. How can they deliver quality, relevant news coverage to their audiences while staying in the black economically? How can media organizations hire journalists, pay them a living wage, and invest in serious reporting when many can hardly afford the rent or to keep the newsroom lights on?*[1]

These questions are particularly relevant to the media in Sierra Leone which to all intents and purposes is in a very underdeveloped stage. This is the case despite the fact that there are more newspapers and radio stations in the country than many much more developed countries.

Economic viability and sustainability of any business depends to a large extent on the ability of that business to maintain sound business and financial practices and to be profitable. Media houses being business enterprises therefore need to ensure they abide by this principle if they are to be sustainable. In other words, they have to be profitable businesses while operating in line with the ethical principles of journalism and media practice.

In the media reform agenda in Sierra Leone, certain key concerns remain on resource mobilization, sustainability and accountability. Several organisations have over the years attempted to address those issues, but little results have been achieved. As part of its own initiatives, the Media Reform Coordinating Group-Sierra Leone (MRCG-SL) has also seen fit to address those issues. The MRCG's latest approach is the development and implementation of a framework for revenue generation, resource mobilization, sustainability and accountability for its Secretariat, its ten constituent members (the ten national media related organisations and institutions) and national media houses across the country. This is to enable media organizations perform effectively and efficiently in order to improve on their credibility and viability.

With support from the UNDP, the MRCG seeks to explore new frontiers for resource mobilization, and to suggest the development of robust systems that can foster accountability in media houses and institutions in the country and ensure their sustainability.

[1] Peter Deselaers, Kyle James, Roula Mikhael and Laura Schneider, More than money: Rethinking Media Viability in the digital age, DWAkademie, 2019, p.2

2. Executive Summary

The economic viability and prognosis for sustainability of the media in Sierra Leone, is becoming of increasing concern to media practitioners and development partners, considering the important role played by the media in national development. The Media Reform Coordinating Group (MRCG) therefore commissioned this study to develop a Framework for Revenue Generation, Resource Mobilization, Sustainability and Accountability of the media in the country.

In order to get clarity on the current state of the media, a questionnaire was issued to a group of media practitioners at a meeting called by the MRCG to discuss the issues. Data from the questionnaire revealed that indeed there were major challenges in relation to accountability and sustainability of the media. Through the data collected and discussions held with the media practitioners, the challenges threatening the sustainability of many media institutions in the country were grouped under three main headings, namely: financial management, statutory compliance and business growth.

In the area of financial management, a majority of media houses had ineffective accounting systems with the absence of adequate checks and balances, partly due to the fact that many of them are one man businesses (sole proprietorships), with the owner/proprietor being the editor/station manager. There was also widespread failure to comply with statutory provisions under the Companies Act 2009, the National Social Security (NASSIT) Act and income tax laws, all of which put the offending media houses at risk of being shut down through legal action. It also emerged that due to the state of the economy and the fact that very little brand advertising is being done, the volume of advertising revenue available to the media is insufficient to sustain it. There is therefore need for action to be taken that will encourage more brand advertising in the country.

Based on the data collected from the questionnaires, the discussions with stakeholders and international best practice, the following is recommended as the framework for media accountability and sustainability in Sierra Leone. These recommendations generally apply to media houses and media related institutions.

1. **Corporate Governance**
    a. All media institutions should ensure they adhere to good corporate governance practices, with boards of directors meeting regularly.
2. **Effective Financial Management**
    a. All media institutions should have a Finance Manager/Officer in place to manage their accounts.
    b. They should all have bank accounts with at least 2 signatories required to validate a transaction.

c. Basic accounting documents such as payment vouchers, cash vouchers, requisitions and petty cash vouchers should be used for financial transactions in order to ensure details of transactions are recorded.
d. A clearly defined approval process for expenditure should be in place with proper checks and balances.
e. Financial records should be kept properly, in line with acceptable accounting standards.
f. Accounts should be audited annually as required by the Companies Act 2009.

3. **Statutory Compliance**
   a. All media houses should ensure they are registered with the National Revenue Authority for tax purposes.
   b. They should ensure PAYE tax is deducted from salaries of all staff (in line with the prevailing tax law) and paid to NRA in a timely manner.
   c. Withholding tax should be deducted from payments to suppliers and paid promptly to NRA.
   d. All staff should be registered with NASSIT and contributions should be paid regularly.
   e. All media companies should comply with the law by paying their corporate tax annually.
   f. All media companies should ensure that all of their staff are paid salaries or fees (freelance) and no staff is paid below the minimum wage.
   g. No individual should be used as a volunteer without any remuneration for more than 12 months. Where a volunteer is deemed to be useful to the institution, he/she should either be employed full time or be paid fees as a freelance reporter.

4. **Proper Planning and Monitoring**
   a. Prepare an annual budget that will form the basis of the company's operations.
   b. Prepare annual cash flow projections that will take account of issues such as difficulty of collecting advertising revenue.
   c. The management team and the Board of the company should periodically review performance against the budget in order to ascertain whether monthly or quarterly targets are being met. Where they are not being met, remedial action should be instituted.

5. **Alternative Revenue Streams and Marketing**
   a. MRCG/SLAJ/media owners should embark on a sensitization programme on the usefulness of brand advertising.
   b. Media companies should employ a Marketing Manager/Officer(s). They should, in fact, establish marketing departments as part of their establishments. The marketing department will be responsible for:
      i. Monitoring advertising volume.
      ii. Reaching out to existing clients to retain them.

iii. Identifying new clients and convincing them to advertise.
iv. Collecting debt.

c. Media companies should seek to diversify their revenue streams by:
   i. Taking advantage of emerging digital opportunities, e.g. Awoko SMS news briefs.
   ii. Seeking sponsorship of columns in their newspapers or programmes on radio & TV.
   iii. Embarking on special projects, e.g. 98.1 carnival & Voice of Democracy, Concord Times/AYV Miss University, etc.

6. Collective Innovative Approaches

a. Establishment of a centralised printing facility by setting up a printing company.
b. Set up a company that will import printing materials and equipment for sale.
c. Mergers.

7. Follow-Up and Monitoring by MRCG

a. Training – there is a need to provide training for managers of media companies in the area of corporate governance and financial management.
b. Grants – these should be provided to media companies that participate in the training and agree to implement the recommendations. The grants could be spread over two or three years and could take the form of equipment support or cash injection. Continued compliance with the recommendations will be a pre-requisite for disbursement. Monitoring will include submission of minutes of management and board meetings, budgets, cash flow projections, audited accounts, etc.
c. Incentivized mergers – Incentives will need to be provided to encourage companies to merge as this is not in the DNA of Sierra Leonean companies.

3. Methodology

In order to get clarity about the state of play of the media sector in the area of financial practices and corporate governance, a questionnaire was issued to some practicing journalists who had been invited to a meeting for this purpose by the MRCG.

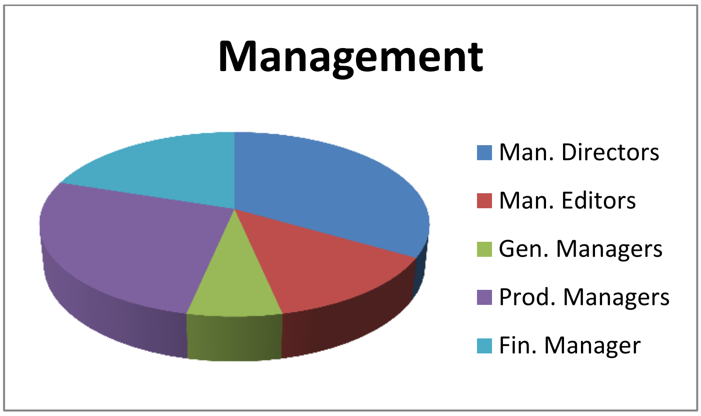
In addition to the data from the questionnaire, a focus group discussion was held with 30 stakeholders, 16 of which were current media practitioners in print and electronic media. The remaining 14 were made up of veteran media practitioners, academics, media regulators and civil society activists. The discussion covered management structure and practices in the media, editorial policies, challenges and suggestions for overcoming the shortfalls and challenges.

The data from the questionnaire were collated and analysed and together with information gathered during the focus group discussion, formed the basis for development of the framework.

4. Data Analysis for Media Houses

The questionnaire sought the views of current media practitioners on the one hand and those of other stakeholders, namely: veteran media practitioners, civil society activists, academics, etc. A total of 16 current media practitioners were surveyed while 14 other stakeholders were surveyed. Of the current media practitioners, 50% were in radio, 25% in newspapers, and 12.5% in television.

In the area of management positions in the institutions these media practitioners work, 31.3% had managing directors while 12.5% had managing editors. 6.3% had a general manager, 25% had a production manager, and 18.8% had a finance manager/accountant while none had a marketing manager.



According to the respondents, 75% of them work in institutions where the management of content is distinct from administration of the institution, while for 18.8% of them, this is not the case.

On the issue of access to the IMC Code of Practice and the SLAJ Code of Ethics, 68.8% say all staff in their institutions have access while 31.3% say not all staff have access. However, 43.8% say they abide by the codes all the time and the same percentage say they abide by them most of the time. Only 6.3% say they seldom abide by them.

On the question of whether all staff in their institutions are paid salaries, 75% said yes while 25% said no. However, only 56.2% said all staff were paid above the minimum wage, while 31.2% said not all were paid above minimum wage. 25% of respondents also said that their institutions had volunteers who had been working for over a year.

On issues related to finance, all the respondents said their institutions operated a bank account, with 18.7% requiring only one signatory to validate a transaction, while 50% required two signatories and 31.2 required three. 93.7% said their institutions kept a record of all financial transactions. However, 43.7% of respondents reported that the records are manual, while 50% said they were computerised.

In the area of accounting documents, 63.5% indicated that their institutions used payment vouchers, while requisitions and cash vouchers were each used by 37.5% of respondents. 68.4% also claim that their institutions have updated assets registers, while a significant proportion, 31.2% say their institution doesn't.

In the area of statutory requirements for corporate bodies, the situation is mixed. Only 43.7% of respondents say staff in their institutions pay PAYE tax while the rest, 56.3% say staff in their institutions do not pay PAYE tax. 56.2% however say their institutions pay corporate tax, while 25% say their institutions don't and the rest don't know. In terms of NASSIT, only 37.5% of respondents say all staff in their institutions are registered with NASSIT, while the rest, 63.5% say staff in their institutions are not registered. Interestingly, even though 37.5% say all staff in their institutions are registered with NASSIT, only 25% say the contributions are paid regularly. In addition, only 50% of respondents say their institution's accounts are audited annually.

In the area of corporate oversight, only 56.3% of respondents say their institution has a board of directors. In addition, only 43.7% of these boards meet regularly (monthly or quarterly).

In the area of revenue generation, advertising is the main source of income for the majority of respondents (56.3%), followed by sponsorship (31.2%), projects (25%) and other sources (18.8%). However, 43.7% of respondents say their institution made no profit last year, 18.7% say they made less than 5% profit, and 12.4 said they made between 5% and 15% profit. The rest don't know whether their institutions made any profit or not.

Of the factors affecting profitability of their various institutions, the respondents identified failure by advertisers to pay bills as the most important (50%), this was followed by payment of commissions to advertisers and cost of materials (31.2% each), while staff costs were identified by 25%.

5. Implications

5.1Financial Management

Most media houses in Sierra Leone were established by media practitioners as one-man businesses (sole proprietorship) and this is reflected in the financial management practices of these institutions. In many of them, the company accounts are the same as the proprietor or editor’s personal account and there is no method in place for accessing funds other than the individual decision of the account holder. This is clearly highlighted by the fact that the data generated by the questionnaire administered as part of this study shows that while all the respondents said their institutions operate a bank account, almost 20% said only one signatory is required to validate a transaction. This means that there are no checks and balances in those institutions and funds generated by the media house are simply used as personal funds.

The data also indicates that only a small proportion (less than 20%) of the media houses have a finance manager/accountant. This implies that in the vast majority of media houses either the general manager/managing editor/managing director or a junior officer handles the accounts, thus removing one layer of necessary checks and balances for prudent financial management. It is also very doubtful that the general manager or managing director/managing editor will have the required expertise to manage the finances effectively, since managing finances is not simply limited to keeping records.

It is also clear from the data that financial record keeping is not very efficient because not all the institutions represented in the survey use the basic accounting documents like payment vouchers, cash vouchers and requisitions. Without these documents, it is difficult, if not impossible to capture the details of financial transactions in the institution’s financial records. This indicates that there is a general absence of financial performance reviews and planning in most of these media institutions.

5.2 Statutory Compliance

Media houses are corporate bodies registered with the Independent Media Commission (IMC) and either the Corporate Affairs Commission or the Administrator and Registrar General. They are therefore bound by the Companies Act 2009 which states in section 281 that

281. (1) Every company shall cause accounting records to be kept in accordance with this section.

(2) The accounting records shall be sufficient to show and explain the transactions of the company and shall be such as to–

(a) disclose with reasonable accuracy, at any time, the financial position of the company; and

(b) enable the directors to ensure that any financial statements prepared under this Part comply with the requirements of this Act as to the form and content of the company's financial statements.

(3) The accounting records shall, in particular, contain–

(a) entries from day to day of all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure take place; and

(b) a record of the assets and liabilities of the company;

With the absence of the basic accounting documents in a large number of the media houses covered by the survey, it is doubtful whether these media houses are in a position to produce accurate accounts as required by law. To make matters worse, almost one-third of the respondents indicated that their institutions do not have updated assets registers, one of the key accounting documents required under the Companies Act.

Further compounding the problem is the fact that a large number of these media houses (over 40%) do not have a board of directors in place. Where boards exist, the data shows that the majority (more than 50%) do not meet regularly. It is therefore obvious that there is no oversight or supervision of the activities of the management of these institutions.

Staffing and remuneration of staff also appears to be a major issue in the media sector and is one of the factors affecting the quality of content of many media houses. The data collected through the questionnaire indicates that at least a quarter of the institutions represented in the survey have staff that are not being paid salaries. Of those being paid salaries, more than 30% are being paid below the minimum wage. Apart from the fact that such actions are illegal, they are also immoral and present the offending media institutions in a bad light. They also encourage these unpaid staff and those paid below the minimum wage to engage in what is called "coasting", which in some cases degenerates to extortion. In addition, these staff cannot focus on producing good quality stories, since they are preoccupied with making enough money through unorthodox means in order to survive.

Perhaps more worrying is the fact that the majority of respondents to the questionnaire indicated that their media institutions are not complying with statutory obligations which could result in them being liable to prosecution. More than 55% of these media institutions do not deduct PAYE tax from salaries of their staff and pay to government as required by law. In addition, less than 60% pay corporate tax. To make matters worse, less than 40% of respondents said all staff in their institutions are registered with NASSIT, and of this number, only 25% are having their contributions paid regularly. These deliberate or inadvertent lapses, put the defaulting media institutions at grave risk of shutting down because these are statutory requirements and both the National Revenue Authority (NRA) or NASSIT could bankrupt these institutions by requiring them to pay all the backlog PAYE taxes and NASSIT contributions that they have not been paying for several years for all their staff.

The net effect of the situation outlined above which indicates that a large number of media institutions in Sierra Leone are not well managed both from a corporate governance and financial management perspective, is that they are very unattractive to any serious investor. Consequently, the chances of any significant equity financing coming into the media sector are quite slim. Without significant reform of these corporate governance and financial management issues in the media sector, equity financing and even bank financing will not materialise.

5.3 Business Growth

One of the major factors influencing institution sustainability and growth is the ability of that institution to generate enough revenue to cover its capital and recurrent expenditure and make some profit. Unfortunately, for a large number of media institutions in Sierra Leone, this is not the case. The reasons for this, as has been pointed out earlier, can partly be attributed to bad management. However, the fact that most media institutions generate their revenue mainly through advertising is also an important factor. This is so because the volume of advertising revenue available in the country is not enough to support the media.

In the first place, the size of the Sierra Leone economy is quite small and the level of competition among the players in the various sectors is generally low. The majority of business houses therefore do not feel the need for significant brand advertising. This is clearly seen even through a cursory look at the advertisements in newspapers. The absolute majority (up to 90%) of newspaper adverts are job or procurement adverts. Very little brand advertising is visible. These factors have resulted in a relatively small volume of advertising revenue available for distribution among the many media houses competing for access to this small pot.

This problem has been compounded by the fact that collecting payment from some advertisers is quite challenging and most media institutions have to endure long delays before payments are made, or payments are not made at all in some cases, resulting in most media houses having to write off millions of Leones as bad debt every year. To make matters worse, a significant proportion of advertising revenue is used by media houses to pay commissions to those distributing adverts. Apart from the fact that this causes media houses to lose revenue, it has also resulted in adverts being distributed based on the size of the commission being paid rather than the value that the institution will get from advertising in a particular newspaper, radio or TV station. Circulation or listenership has thus become largely irrelevant as a determinant of advertising volume in a media house.

Also quite telling is the fact that none of the media institutions represented has a marketing manager. This implies that marketing of the services provided by the institution is not given any priority and is either handled by the Managing Director/Managing Editor or is dealt with in an ad hoc manner.

This is generally a result of the fact that most business institutions in Sierra Leone, including the media, do not understand what marketing involves and its importance in growing a business.

R.L Adams says

> *Growing a business isn't easy. First, you need a viable idea. From there, you need to discover a profitable niche, define a target demographic and have something of value to sell them. Whether you're peddling products, services or information, getting the word out has become increasingly burdensome. And without the right marketing strategies to fuel your growth, churning a profit and staying afloat is virtually impossible.*[2]

The need for effective marketing by individual media houses is even more acute than in most countries due to the size of the Sierra Leone economy and the large number of players in the media sector, as stated earlier. Media institutions therefore not only need to increase their market share of existing advertising revenue, they need to work towards increasing the size of available advertising revenue by convincing business institutions that currently do not advertise their products to embark on advertising as a means of growing their businesses. This obviously requires effective marketing.

Over and above the marketing efforts of individual media houses, there needs to be a more holistic sensitization of corporate institutions in Sierra Leone on the value of advertising as part of brand building. This sensitization can be done by a group of media houses or SLAJ or MRCG. Such sensitization will achieve two objectives, namely: increasing market share of those institutions that are convinced and embark on brand advertising, as well as increasing the volume of advertising available to the media, thus potentially increasing advertising revenue across the board.

[2] https://www.entrepreneur.com/article/299335

6. National Media Institutions

The issues of revenue generation, resource mobilization, sustainability and accountability are also affecting national media organisations, including the constituent organisations of the MRCG. These are:

- Sierra Leone Association of Journalists (SLAJ)
- Independent Media Commission (IMC)
- Ministry of Information and Communications (MIC)
- Mass Communication Department, FBC
- Independent Radio Network (IRN)
- The Sierra Leone Broadcasting Corporation (SLBC)
- Guild of Editors (GoE)
- Women in the Media Sierra Leone (WIMSAL)
- Sierra Leone Reporters Union (SLRU)
- Sport Writers Association

The constituent members of the MRCG can be categorized into 3 groups based on organizational strength and effective operational systems. This classification is based on the degree to which the institution has a proper governance system, effective financial systems, proper record keeping, a resource mobilization scheme and proper planning and monitoring systems.

The first category comprises 4 statutory communication/media institutions that have established and working governance systems, financial management systems, and record keeping mechanisms. They are IMC, SLBC, MIC and Mass Comm. FBC (which is part of Fourah Bay College, University of Sierra Leone).

IMC

The Independent Media Commission (IMC) was set up by an Act of Parliament in 2000 as amended in 2006 and 2007. The Commission became fully operational in 2001. It seeks to promote professionalism in the media throughout Sierra Leone; ensure that media institutions achieve the highest level of efficiency in the provision of media services; protect the interest of journalists and protect the public against exploitation or abuse by media institutions. As a statutory institution, the Independent Media Commission (IMC) has an organizational system, but is still faced with numerous challenges. Even though it is an institution that receives subvention from government, the Commission is highly challenged with inadequate financial and technical resources to carry out its core functions.

MIC

Prior to 2007, the Ministry of Information and Communications was called the Ministry of Information and Broadcasting. Its core function was information and it was very limited in scope and activities. It was later re-branded and its scope and activities widened to include Information, Communications and Technology. It was then renamed the Ministry of Information and Communications. With the emergence of ICT as the engine of growth in modern day economies, the Ministry has grown in scope and importance. The programmes and activities of the ministry are largely funded by the government, but it also has the challenge of adequate financial and technical resources.

SLBC

As a public service broadcaster and a statutory institution, the Sierra Leone Broadcasting Corporation has structured governance systems and other key administrative pillars that ensure the smooth running of the Corporation. The functioning of the Corporation is, however, not devoid of immense challenges even though efforts are being made to surmount some of these organizational obstacles. Prominent among the challenges is the growing need for technological advancement in digital broadcasting of the SLBC. The Corporation is desperately in need of modern digital equipment for broadcasting in order to catch up with other media outlets in the country and in the sub-region.

Mass Comm. FBC

The Mass Communication Department at Fourah Bay College was established as a training ground for professional journalists in Sierra Leone. Since its establishment, the Department has successfully progressed from the certificate, to diploma, undergraduate and postgraduate programmes in Mass Communication. This has contributed to an improved capacity of media practitioners in the country and has created high standards of professionalism in the country's media landscape. Despite these achievements, the Department is challenged with inadequate infrastructure and other technical and financial resources.

The second category of institutions comprises two national media organizations that have established proper governance systems, effective financial management systems, good record keeping mechanisms, robust resource mobilization schemes and proper planning and monitoring systems. They are SLAJ and IRN.

SLAJ

The Sierra Leone Association of Journalists (SLAJ) was founded to protect and promote freedom of expression and of the press and to seek the welfare of journalists in Sierra Leone. As an umbrella body, SLAJ brings together journalists and other media practitioners as well as media owners in Sierra Leone. Since its inception, SLAJ has remained the prime organisation campaigning for the interests of journalists, building solidarity, striving for greater press freedom, media professionalism and standards and for better working conditions for journalists. As a national media organization, SLAJ has an elected executive and a functional Secretariat. It has strived to put in place workable systems that could help address sustainability issues, prudent financial management, proper record keeping and resource mobilization drive. However, the Association is confronted with many challenges ranging from inadequate financial resources, capacity of some of its members and their ability to adhere to ethical and professional standards.

IRN

The Independent Radio Network was created to provide transparent and accurate information in electioneering processes. IRN has grown from an initial membership of seven Radio Stations to a total of forty which includes Community Radio Stations, Religious Radio Stations and Commercial Radio Stations. It has provided a platform for the people of Sierra Leone to interact with their government and bring their concerns to the political agenda. It has increased the capacity of community radio stations and provided momentum for social and political change. The IRN has a well-structured governance system with a Board of Directors, the Management and the general membership/Assembly. IRN has a working secretariat and robust financial systems to ensure financial accountability. As IRN's major operational focus has been on covering National Elections and other issue-based broadcast, it is worthy to note that resources to maintain the operations of the organization have been a huge challenge to contend with. Capacity building, technical and financial resources for its member stations still remain a growing concern for the IRN.

The third category comprises four national media organizations that lack the required administrative personnel and operational systems that support effective financial management systems, good record keeping mechanism, robust resource mobilization scheme and proper planning and monitoring systems. They are the GoE, WIMSAL, SLRU and SWASAL.

GoE

The Guild of Newspaper Editors-Sierra Leone (GoNE-SL) was created to seek the interest of members (editors) and to promote a professional and vibrant print media that would contribute its quota to the continuous process of peace consolidation in Sierra Leone. The Guild has an elected executive charged with the responsibility to run the affairs of the organization. However, the Guild has a couple of challenges over the years. The Guild does not presently have a working Secretariat; and there are little or no resources to implement its activities.

WIMSAL

Women in the media Sierra Leone (WIMSAL) is an organization formed by female journalists from both the print and electronic media to promote the interests of female journalists, female communication practitioners and women in all spheres of life. WIMSAL advocates better conditions of service for female journalists and campaigns for the rights of women in Sierra Leone. But with all its unique splendour, WIMSAL is faced with many challenges. It has an office space at SLAJ Secretariat, but has not been utilised due to lack of office equipment. WIMSAL, like the others, does not have a robust financial management system; has limited resource mobilization plan, but continues the drive to solicit funds geared towards the implementation of activities as part of its objectives, despite the challenges. The organization also struggles to get the full cooperation of all its membership for the smooth running of its operations. The lack of resources, among other things, has a major negative impact on the development of the organization.

SLRU

The Sierra Leone Reporters Union was established as a trade union and a pressure group to seek the welfare of its members. As an umbrella organization for all reporters across the country, the SLRU has been very concerned about the poor conditions of service for reporters and journalists across the country. It advocates and works on capacity building and training of reporters. It has no working Secretariat, but an office space (one room) is allocated to the Union by SLAJ at its headquarters. Over the years, the organization has made frantic efforts to engage media owners over low pay and poor conditions of service which in most cases does not reflect the threshold of government's stipulated minimum wage under the labour laws of the country. However, the current state of affairs of the Union is a serious concern as the Union lacks the basic administrative structures and systems that could ensure sustainability and accountability. The problem is compounded by lack of financial resources, membership mobilization and cooperation and the lack of commitment by members to move the Union forward.

SWASAL

The Sports Writers Association of Sierra Leone (SWASAL) was formed by a group of print and electronics journalists to, among other things, strive to provide opportunities for all Sports Journalists throughout Sierra Leone, provide members a forum for the development of closer fellowship conducive to the welfare of the profession, and to uphold the ideals of sports journalism. It is one of the oldest national media organisations. It has an elected executive but suffers from similar problems affecting most national media organisations. It has no working Secretariat, and it suffers from lack of financial resources, resource mobilization and sustainability plans.

7. Recommendations

The following recommendations have been arrived at based on international best practice as well as the views of media practitioners and stakeholders in Sierra Leone. They are generally applicable to media houses as well as media organisations/institutions. If implemented, there is a good chance that the media will grow and be sustainable. For them to be implemented, however, media owners have to be willing to change their existing business models and practices. They will effectively be giving up unbridled independence for more control with effective checks and balances, particularly in the management of company finances and accounts.

Corporate governance

As has been pointed out earlier in this report, effective corporate governance is essential for the health and sustainability of any company. Unfortunately, most media institutions in Sierra Leone are not set up properly, largely because they are sole proprietorships without shareholders. This will need to be corrected if they are to attract investment.

Board of Directors

Media institutions will need to set up boards of directors to provide oversight and supervision of the management of these institutions. Where there are shareholders, they will appoint the board members. However, even if there are no shareholders and the management, which usually includes the owner, does not wish to be fully answerable to the board, the management can still appoint a board that will serve in an advisory capacity.

The board should ideally be made up of at least 5 members, namely: the Managing Editor/General Manager/Managing Director, an accountant/financial management expert, a legal practitioner, a businessman and an experienced media practitioner. There could be up to 9 members in the board, but care should be taken to ensure it is not dominated by media practitioners. The suggested board composition will bring to the table diversity of expertise which will ensure a variety of perspectives inform board decisions. The chair of the board could either be elected by members of the board or appointed by the management or shareholders, whichever body appoints the board.

The board should meet at least every quarter (3 months) and should perform the functions ascribed to it in the Companies Act 2009 which states in section 233 (1)

Directors are trustees of the company's moneys, properties and powers and as such shall

- *(a) account for all the moneys over which they exercise control;*
- *(b) refund any moneys improperly paid away;*
- *(c) exercise their powers honestly in the interest of the company and all the shareholders, and not in their own or sectional interests.*

Effective Financial Management

As pointed out earlier, most media institutions do not have an effective financial management system in place that will guarantee probity and transparency in the disbursement of funds. The following is therefore recommended:

1. All media institutions should have a Finance Manager/Officer in place to manage their accounts
2. They should all have bank accounts with at least 2 signatories required to validate a transaction
3. Basic accounting documents such as payment vouchers, cash vouchers, requisitions and petty cash vouchers should be used for financial transactions in order to ensure details of transactions are recorded
4. A clearly defined approval process for expenditure should be in place with proper checks and balances
5. Financial records should be kept properly, in line with acceptable accounting standards.
6. Accounts should be audited annually as required by the Companies Act 2009.

Statutory Compliance

As has been pointed out in previous sections of this report, most media houses do not comply with statutory requirements currently in force. This puts them at risk of going out of business because the NRA or NASSIT can take legal action against them that could result in bankruptcy or even imprisonment for the CEO of these media companies. The following is therefore recommended:

1. All media houses should ensure they are registered with the National Revenue Authority for tax purposes.
2. They should ensure PAYE tax is deducted from salaries of all staff (in line with the prevailing tax law) and paid to NRA in a timely manner.
3. Withholding tax should be deducted from payments to suppliers and paid promptly to NRA.
4. All staff should be registered with NASSIT and contributions should be paid regularly.
5. All media companies should comply with the law by paying their corporate tax annually.
6. All media companies should ensure that all of their staff are paid salaries or fees (freelance) and no staff is paid below the minimum wage.
7. No individual should be used as a volunteer without any remuneration for more than 12 months. Where a volunteer is deemed to be useful to the institution, he/she should either be employed full time or be paid fees as a freelance reporter.

Proper planning and monitoring

The maxim "if you fail to plan, you plan to fail" is true for all businesses, but the majority of media businesses in Sierra Leone are either unaware of that maxim or choose to ignore it. In order to ensure sustainability and growth, it is therefore recommended that media companies now embark on proper planning and monitoring of progress against set targets. In order to achieve this, they will need to do the following:

1. Prepare an annual budget that will form the basis of the company's operations.
2. Prepare annual cash flow projections that will take account of issues such as difficulty of collecting advertising revenue.
3. The management team and the Board of the company should periodically review performance against the budget in order to ascertain whether monthly or quarterly targets are being met. Where they are not being met, remedial action should be instituted.

Alternative revenue streams and marketing

As pointed out earlier, media houses in Sierra Leone, as is the case elsewhere, generate most of their revenue from advertising. However, as has also been pointed out, the advertising revenue pot in Sierra Leone is insufficient to sustain the existing media. In order to increase revenue accruing to media companies, the following is recommended:

1. MRCG/SLAJ/media owners to embark on a sensitization programme on the usefulness of brand advertising
2. Media companies should employ a Marketing Manager/Officer(s). They should, in fact, establish marketing departments as part of their establishments. The marketing department will be responsible for
    a. Monitoring advertising volume
    b. Reaching out to existing clients to retain them
    c. Identifying new clients and convincing them to advertise
    d. Collecting debt
3. Media companies should seek to diversify their revenue streams by
    a. taking advantage of emerging digital opportunities, e.g. Awoko SMS news briefs.
    b. Seeking sponsorship of columns in their newspapers or programmes on radio & TV
    c. Embarking on special projects, e.g. 98.1 carnival & Voice of Democracy, Concord Times/AYV Miss University, etc.

Collective Innovative Approaches

While it is a fact that media companies are in competition with each other for readership/listenership/viewership, and are also competing for the available advertising revenue, it is also true that they will benefit from collaboration and pooling of resources in some areas. The following is therefore recommended as collaborative actions that can be taken to ease the burden on individual media companies, open up new revenue streams and consequently make those collaborating companies more sustainable.

1. **Establishment of a centralised printing facility by setting up a printing company.** Each participating company will be issued shares in the new printing company based on its contribution to the physical or financial resources of the company. Media companies with printing equipment for example, could pass on their printing equipment to the new company. The new company will print the newspapers of its shareholders while at the same time, print for other newspapers and do other commercial jobs.
2. **Set up a company that will import printing materials and equipment for sale.** This could either be a separate company, or this can be done by the printing company. Currently, printing materials are quite expensive and it is at times difficult to get good quality materials. Such a company will provide quality printing materials for its shareholders and sell to other newspapers and commercial printers.
3. **Mergers.** Media companies should be encouraged to merge in order to form larger and more viable companies. These mergers could be two or more newspapers merging, or two or more radio stations merging, or it could be one or more newspapers merging with one or more radio stations. This has been suggested many times in the past as a result of the large number of media institutions, particularly newspapers, in the country, considering the small reading public. So far, there has been no interest in this approach, partly because the proprietors of these institutions prefer operating sole proprietorships where they are answerable to no one. Some form of encouragement will therefore need to be provided to media companies for them to be willing to go down this road. Encouragement could be in the form of equipment or cash grant support.

Professional quality

Not much has been said in this report about the influence of professional quality and its relevance to sustainability of media companies, not because it is not important, but because it has been taken as a given. Focus has been on financial sustainability because quality reporting is largely dependent on the availability of financial resources for adequate remuneration of staff and provision of a conducive working environment that will result in quality output. It is therefore expected that improved finances of media companies will impact positively on the quality of their output and further enhance their sustainability.

It is also believed that the mechanics of achieving quality output is known to the gatekeepers in most media houses and with the right supervision and oversight, coupled with adequate financial resources, the output of most media houses will definitely improve.

Follow-Up and Monitoring

In order to ensure the implementation of the above recommendations, there is a need for some follow-up activities by the MRCG. The following are recommended:

1. Training – there is a need to provide training for managers of media companies in the area of corporate governance and financial management.
2. Grants – these should be provided to media companies that participate in the training and agree to implement the recommendations. The grants could be spread over two or three years and could take the form of equipment support or cash injection. Continued compliance with the recommendations will be a pre-requisite for disbursement. Monitoring will include submission of minutes of management and board meetings, budgets, cash flow projections, audited accounts, etc.
3. Incentivized mergers – Incentives will need to be provided to encourage companies to merge as this is not in the DNA of Sierra Leonean companies. The incentives could take the form of equipment support or cash injection. However, there may need to be a seminar that will present the concept to the owners of these companies in order to convince them that a merger is in their interest. There will also be the need for an expert to facilitate the merger negotiations between interested companies as well as advise in the setting up of the new company, including allocation of shares.

Community Radio

Community radio has not been covered by this study, partly because of its specialised nature and also because the FBC Mass Communication Department has already conducted a study and has made recommendations for sustainability of community radio stations. Some of these recommendations are highlighted below.

1. There is a need for government funding of community radio stations due to their utilitarian value in national development. This funding should be channelled through the Independent Media Commission (IMC).
2. The community radio stations should be integrated in the community through programming, staffing and supervision.
3. Restructuring and training for board members on their roles and responsibilities
4. Training of staff for professional output.
5. IMC to provide oversight of community radios to ensure boards are functioning properly, etc.
6. Community radio stations should explore innovative ways of financing/revenue generation (e.g. Radio Kolenten has instituted a micro credit scheme for staff, is running a canteen and organises an annual event).

8. Appendix

QUESTIONNAIRE ON STRUCTURE AND FINANCING OF MEDIA ORGANISATIONS

This questionnaire is aimed at soliciting information on the structure, revenue sources and financial management of media organisations in Sierra Leone with a view to developing a framework for financial sustainability and growth of the media sector in the country. It is a project of the Media Reform Coordinating Group (MRCG). Your honest responses to the questions contained herein will contribute to the realisation of the goal of this project.

1. Type of media Organisation
   a. Training Institution ☐
   b. Association ☐
   c. Regulatory body ☐
2. Which of these management positions do you have in your establishment? (Please tick all those that are applicable)
   a. President/ Chairman ☐
   b. Secretary General/Executive Secretary ☐
   c. Publicity Secretary ☐
   d. Finance Manager/Accountant ☐
   e. Marketing Manager ☐
   f. Projects Manager ☐
3. Does your institution have personnel with the capacity to write project proposals for funding?
   a. Yes
   b. No
4. Does your institution a Board of Directors or Executive that is distinct from staff?
   a. Yes ☐
   b. No ☐
5. If yes, are directors/ executive members paid salaries?
   a. Yes ☐
   b. No ☐
6. Are directors/executive members paid sitting fees for meetings?
   a. Yes ☐
   b. No ☐
7. How often does the board/executive meet?
   a. Monthly ☐
   b. Quarterly ☐
   c. Infrequently ☐
   d. Seldom ☐
8. Does your institution have a bank account?
   a. Yes ☐

b. No ☐

9. If yes, how many signatories are needed to validate a transaction?
   a. One ☐
   b. Two ☐
   c. Three ☐
10. Does your institution have a means of keeping a record of all financial transactions?
    a. Yes ☐
    b. No ☐
11. If yes, is it (tick one)
    a. Manual/paper based ☐
    b. Computer based ☐
12. Please tick all the accounting documents that are used in your institution.
    a. Requisition ☐
    b. Payment Voucher ☐
    c. Petty Cash Voucher ☐
13. Does your institution have an updated assets register?
    a. Yes ☐
    b. No ☐
14. Do staff of your institution pay PAYE tax?
    a. Yes ☐
    b. No ☐
15. Does your institution pay corporate tax?
    a. Yes ☐
    b. No ☐
16. Are all staff of your institution registered with NASSIT?
    a. Yes ☐
    b. No ☐
17. Are their NASSIT contributions paid regularly?
    a. Yes ☐
    b. No ☐
18. If no, why not? ……………………………………………………………………………………………
19. Are the accounts of your institution audited annually?
    a. Yes ☐
    b. No ☐
20. What are your main sources of revenue (tick all that applies)?
    21. Govt. subvention ☐
    a. Sponsorship ☐
    b. Projects ☐
    c. Other (please specify) ……………………………………………………………………….
22. Do you think there are other sources of revenue/funding that have not been used?
    a. Yes ☐

b. No ☐

23. If your answer to question 22 is yes, please list those sources

a. ……………………………………………………………………………………………………….

b. ……………………………………………………………………………………………………….

c. ……………………………………………………………………………………………………….

d. ……………………………………………………………………………………………………….

24. List (in order of priority) what you think needs to be done to make your institution more profitable/sustainable

a. ……………………………………………………………………………………………………….

b. ……………………………………………………………………………………………………….

c. ……………………………………………………………………………………………………….

d. ……………………………………………………………………………………………………….

e. ……………………………………………………………………………………………………….