



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT



### On The Audit of the Grand Kru County Administration Funds

For the Period July 1, 2012 to  
June 30, 2013

June, 2017

Yusador S. Gaye, CPA, CGMA  
Auditor General, R.L.

## Table of Content

<b>BACKGROUND .....</b>	<b>6</b>
Background of the Grand Kru Administration Audit.....	6
Audit Objectives.....	7
Audit Methodology .....	7
Limitation of Responsibility .....	8
<b>1 DETAILED FINDINGS AND RECOMMENDATIONS .....</b>	<b>9</b>
1.1 Financial Issues .....	9
1.1.1 Payments without Adequate Supporting Documentation.....	9
1.1.2 Bank Reconciliation.....	10
1.1.3 Withholding Taxes .....	11
1.2 Compliance Issues .....	13
1.2.1 Actual Payments vs County Resolution.....	13
1.2.2 Policies and Procedures.....	15
<b>2 ACKNOWLEDGEMENT.....</b>	<b>17</b>
<b>APPENDIX.....</b>	<b>18</b>
<b>EXHIBIT .....</b>	<b>20</b>
<b>ANNEXURE.....</b>	<b>22</b>

### Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
BEP	Bid Evaluation Panel
CBL	Central Bank of Liberia
CDF	County Development Fund
Corp.	Corporation
CGMA	Chartered Global Management Accountant
COSO	Committee of Sponsoring Organizations
CPA	Certified Public Accountant
FY	Fiscal Year
GAC	General Auditing Commission
GKCSA	Grand Kru County Sports Association
GKCAF	Grand Kru County Administration Funds
GoL	Government of Liberia
GSA	General Services Agency
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
L\$	Liberian Dollars
LBR	Liberia Business Registry
LBDI	Liberia Bank for Development & Investment
NCB	National Competitive Bidding
PFM Act	Public Finance Management Act
PMC	Project Management Committee
PPC Act	Public Procurement Concessions Act
PPCC	Public Procurement and Concessions Commission
ToR	Terms of Reference
US\$	United States Dollar
SDF	Social Development Fund

## **Compliance Report on the Grand Kru Administration for the Period July 1, 2012 to June 30, 2013.**

We have audited the activities and financial transactions of the Grand Kru Administration in compliance with relevant laws and regulations for the periods ended June 30, 2013 consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Audit Engagement Terms of Reference (ToR)

### **Management's Responsibility**

Management is responsible for the preparation of financial records in accordance with the terms of local agreement and stated laws and regulations.

This audit was conducted on the basis or understanding that the Management of the Grand Kru County Administration has the responsibility to establish and maintain internal controls necessary to:

- Enable it undertake its contracts award, goods delivery, projects execution, evaluation and reporting in an effective and efficient manner as well as the preparation of documentation on the procurement/projects that are free from material misstatements whether due to fraud or error and in compliance with authorities that govern them;
- Provide reasonable assurance that adopted policies and prescribed procedures are adhered to and errors and irregularities, including fraud and illegal acts are prevented or detected; and to provide us with access to the following:
  - All information of which the Grand Kru County Administration is aware of that is relevant to its contracts award, goods delivery, projects execution, evaluation and reporting as well as their related documentation;
  - Any additional information that we may request from Administration for the purposes of the review; and
  - Unrestricted access to persons within the County Administration from whom we determine it necessary to obtain review evidence.

### **Auditor's Responsibility**

Our responsibility is to independently express a conclusion on the financial records of the Grand Kru County Administration based on our audit. Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), Fundamental Auditing Principles (FAP) and Guidelines for Compliance Audit (GCA). Those principles require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance as to whether the use of funds are in compliance, in all material respects, with stated laws and regulations.

An audit involves performing procedures to obtain sufficient appropriate evidence to support our conclusion. The procedures performed depend on the auditor's professional judgment, including assessing the risk of material non-compliance, whether due to fraud or error. The audit procedures performed are those we believe are appropriate in the circumstances. We believe that the audit evidence gathered is sufficient and appropriate to provide the basis for our conclusion

### **Basis for Adverse Conclusion**

The Grand Kru County Administration made payments for various transactions amounting to **US\$10,000.00** (Ten Thousand United States Dollars). Of this amount, **US\$7,600.00** (Seven Thousand Six-Hundred United States Dollars) without satisfactory evidence of disbursement to the beneficiaries to assure the regularity of the transactions.

The Grand Kru County Administration did not withhold and remit into Government of Liberia Revenue Accounts the amounts of **US\$2,108.18** (Two Thousand One Hundred-Eight United States Dollars and Eighteen Cents) representing taxes from various vendors for procurement of goods, services, and works.

The actual payments made to contractors/vendors for various projects and/ or programs exceeded the approved county resolution/budget by **US\$66,228.44** (Sixty-Six Thousand Two Hundred Twenty-Eight United States Dollars Forty-Four cents). There was no evidence of a County Resolution authorizing the additional payments.

Additionally, the contract amount exceeded approved budget by **US\$8,568.62** (Eight Thousand Five Hundred Sixty- Eight United States Dollars Sixty-Two cents). There was no evidence of a County Resolution to support the transaction.

### **Adverse Conclusion**

Based on the audit work performed, we found that, because of the significance of the matter noted in the Basis for the Adverse Conclusion paragraph above, the activities and financial transactions of the Grand Kru County Administration Funds are not in compliance, in all material respects, with the stated laws and regulations.

  
**Yusador S. Gaye CPA, CGMA**  
**Auditor General, R.L**

**Monrovia, Liberia**  
**June, 2017**

## BACKGROUND

### Background of the Grand Kru Administration Audit

The Auditor General of Liberia was request by the Minister of Internal Affairs to conduct a full audit of the Grand Kru County Administration Funds for periods July 1, 2012 to June 30, 2015. The Audit was commissioned by the Auditor General (AG) on June 17, 2016.

The Grand Kru County Administration, for the period audited, had available in its account **US\$516,846.20** to fund activities for the period. In the same period, the county disbursed US\$ **369,004.53** for projects and programs approved by the Grand Kru County Development Council thus, resulting to a carry forward of US\$ **147.847.67**. (Refer to table 1).

**Table 1: Schedule of Revenue Receipts & Expenditure**

Date	Source	Bank Statement	Amount US\$
Dec. 15, 2012	CDF/SDF – Balance Brought forward	Beginning Balance	187,321.20
September 11, 2013	CDF/SDF 2012/2013	-	200,000.00
September 11, 2013	African Petroleum	-	50,000.00
September 11, 2013	CDF/SDF – Equipment Rental Fees	-	29,525.00
September 30, 2013	Rental fees Lone Star Tower-Barclayville	-	50,000.00
<b>Total Receipts</b>			<b>US\$516,846.20</b>
<b>Expenditure</b>			
<b>Administrative</b>			183,805.81
<b>Projects/ Programs</b>			185,198.72
<b>Total</b>			<b>US\$369,004.53</b>
<b>C/F</b>			<b>US\$ 147,847.67</b>

For the period under audit, the Grand Kru County has the following personnel who handle the administrative and financial affairs of the county.

**Table 2: Key Personnel**

No.	Name	Position	Tenure
1	Hon. Elizabeth N. Dempster	Superintendent	2011-Present
2	Hon. T. Michael Wisseh	Assistant Superintendent/Development	2011-Present
3	Hon.J. Tehnecio Wiah Sr.	Chairman, Project Management Committee	2013-Present
4	Hon. E. Nyewoti Wollor	Treasurer/Chairman, Project Management Committee	2014-Present

## **Audit Objectives**

The main objective of the audit is to gather sufficient appropriate audit evidence to conclude whether the activities and financial information of the Grand Kru County Administration for the period July 1, 2012 to June 30, 2014 are in compliance, in all material respects with policies, procedures, applicable laws, regulations, and are free of material errors.

## **Audit Methodology**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial information provided by the Management of the Grand Kru County Administration is in compliance, in all material respects with policies, procedures, applicable laws, regulations, and are free of material errors. In furtherance of this, we undertook audit procedures as would enable us to attain the above objective.

Our audit also took cognizance of the requirements **under the Auditor General's mandate as provided** for under Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (TOR). Our audit approach included observation, inquiries, inspections, re-performance, confirmation, and analytical procedures on areas we considered as high risk.

While the audit was not directed at reporting the following, we have reported on the below issues which came to our attention during the course of the audit:

- Non- effective performance of the program - relates to **Management's** responsibility to undertake activities in a non-effective and non-efficient manner.
- Non-delivery of goods and services – **relates to Management's non-exercise** of responsibility to ensure that all goods and services procured are delivered.
- Instances of non-compliance with applicable laws and regulations - **relates to Management's non-exercise** of responsibility to use resources, and fulfil accountability requirements, in accordance with applicable agreements, laws and regulations governing contracts award, goods and service delivery, projects execution, evaluation and reporting.
- Waste – **relates to Management's non-exercise** of responsibility to obtain and apply resources in an economical manner, without any public money being wasted.
- Instances of abuse- **relates to Management's non- exercise** of responsibility to meet the expectations of the National Legislature and the public as they relate to appropriate standards of behavior.

**Limitation of Responsibility**

We reviewed the systems and management controls operated by the Grand Kru County Administration only to the extent we considered necessary for the effective conduct of this audit. As a result, our review may not have detected all weaknesses that existed or all improvements that could be made.





## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Payments without Adequate Supporting Documentation

##### Observation

1.1.1.1 Regulation P.9 (2) of the Public Financial Management (PFM) Act of 2009 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

1.1.1.2 It was observed during the conduct of the audit that the Grand Kru County Administration made two payments to the Grand Kru Sports Association and Mr. Johnson Beh totaling **US\$10,000.00** (Ten Thousand United States Dollars). Of this amount, **US\$7,600.00** (Seven Thousand Six-Hundred United States Dollars) payment was made without satisfactory evidence of disbursement to the beneficiaries to assure the regularity of the transactions. Refer to Table 1 for details.

**Table 1 Payment without Adequate Supporting Documentation**

Date	Transaction Details	Payee	Voucher #	Ck #	Payments (US\$)
01/30/2013	Contribution to Grand Kru Sports Association	Grand Kru Sports Association	0095	2140538	5,000.00
Jan. 1, 2013	Payment to the County Sports Organizing Committee (Players, Bus rental and technical Staff)	Johnson Beh	Expenditure Report	None	2,600.00
<b>Total</b>					<b>7,600.00</b>

##### Risk

1.1.1.3 Payments without adequate supporting documentation could cast doubt on the regularity of the transactions and undermine public sector accountability and transparency.

##### Recommendation

1.1.1.4 The Grand Kru County Sports Association and Mr. Johnson Beh should provide the necessary supporting documentation containing signatures of the beneficiaries for the **US\$7,600.00** (Seven Thousand Six Hundred United States Dollars) to assure the regularity of the transactions.

##### Management's Response

1.1.1.5 *The two payments made to the Grand Kru County Sports Association and Mr. Johnson Beh as the Sports coordinator was for the purpose of organizing and recruiting players for the*

*County's participation in the national county league. Members of the Sports Committee are not in the employ of the County Administration, it is a makeup of various stakeholders residing in and out of the County. Unfortunately getting a comprehensive reports and the supporting documentation was a serious challenge due to the fact that **player's** compensations, logistics, hotels, and transportation etc are processed by the organizers. During this period, some documents including receipts and players signing logs were not submitted to us in the County. The County Authority made efforts to contact the Sports Association and Mr. beh but could not get results the fact that those transactions took place in 2013. However, the County Administration acknowledges the finding and will institute appropriate measures by ensuring that funds disbursed to anyone is accounted for and documented.*

### **Auditor General's Position**

- 1.1.1.6 We acknowledged the Grand Kru County Administration acceptance of our recommendation; However the County Administration should ensure that payments are adequately supported by supporting documents such as receipts, delivery notes, and / or logs where applicable to make public resources expenditure transparent. Management is in breach of Regulation A20 of the PFM Act of 2009.

### **1.1.2 Bank Reconciliation**

#### **Observation**

- 1.1.2.1 Regulation R.3(6) of the PFM Act of 2009 states that "the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof."
- 1.1.2.2 It was observed during the conduct of the audit that the Grand Kru County Administration did not perform any bank reconciliations for the FY2012/2013 period under audit.

#### **Risk**

- 1.1.2.3 Failure to prepare bank reconciliations could lead to untimely detection of errors or omissions in the financial activities of the County.

#### **Recommendation**

- 1.1.2.4 Going forward, the County Administration should ensure that all bank reconciliations statements are prepared on time, signed by designated staff, reviewed and approved by a superior officer on a monthly basis.

### Management's Response

1.1.2.5 We accept this finding. As indicated to your auditors, the Grand Kru County Administration has not had a Fiscal Affairs Superintendent and an Accountant to handle all financial matters including bank reconciliations. To remedy this, GKCA is appealing to the Government for the appointment of a Fiscal Affairs Superintendent and the employment of an Accountant to perform accounting functions for the County. In the meantime, we will begin to do bank reconciliations going forward.

### Auditor General's Position

1.1.2.6 We acknowledge Management's acceptance of the recommendation. However, Management is in breach of Regulation A20 of the PFM Act of 2009.

## 1.1.3 Withholding Taxes

### Observation

1.1.3.1 Section 905 (J) of the Revenue Code of Liberia Act of 2000 stipulates "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".

1.1.3.2 It was observed during the conduct of the audit that the Grand Kru County Administration did not withhold and remit into Government of Liberia Revenue Accounts the amounts of **US\$2,108.18** (Two Thousand One Hundred-Eight United States Dollars and Eighteen Cents) representing taxes from various vendors for procurement of goods, services, and works. **Refer to Table 1 for details.**

**Table 2: Unremitted GOL Withholding Taxes**

Date	Transaction Details	Payee	Voucher #	Ck #	Payments (US\$)	Tax Amount (US\$ 4%)
5-Apr-13	Construction of two concrete pipe culverts on Barclayville - Pinicess road	SSF Ent.	109	2140553	7,287.94 7,287.94	291.51
7-Mar-13	Construction of two concrete pipe culverts in Barclayville	SSF Ent.	102	2140545	7,237.94	291.51
30-Sep-13	Completion of J. Blamoh Toe School & Teachers quarter	Yousa Const. Company	167	2140608	7,000.00	280.00
3-Dec-13	Furniture for use at the newly constructed	E. N. Enterprise	189	2140630	12,215.00	488.60

Date	Transaction Details	Payee	Voucher #	Ck #	Payments (US\$)	Tax Amount (US\$ 4%)
	Superintendent's Compound					
12-Nov-13	12 Traditional Communities and Barclayville Project Management Teams year end stipends 2013	Thomas F. Nyanti	183	2140623	6,045.00	241.80
17-Jan-13	Renovation - Teachers rented house	John Fayiah	91	2140534	6,000.00	240.00
30-Jul-13	Repairs of two log bridges on Big Suehn - Grandcess road	Joseph Fallah	143	2140585	5,154.00	206.16
2-Oct-13	3rd payment honorarium for PMC August - Sept. 2013	Michael K. W. Tarwreh	168	2140609	940.00	37.60
29-Apr-13	Payment of five (5) months honorarium from Dec. 2012 - April 2013	Michael K. W. Tarwreh	119	2140563	775.00	31.00
	<b>Total</b>					<b>2,108.18</b>

### Risk

- 1.1.3.3 Failure to remit withholding taxes could deny government of the needed Tax Revenue.

### Recommendation

- 1.1.3.4 Going forward, the Grand Kru County Administration should ensure that all applicable taxes are withheld and remitted timely to GOL Revenue Account. Additionally, the unremitted amount associated interest and penalties should be computed and remitted to GOL Account.

### Management's Response

- 1.1.3.5 *We accept the findings. GKCA does not have the competent Accountant who understands, interprets, implements and executes tax requirements in particular when and on what payments a particular tax should be withheld. To remedy this, we again are requesting for the appointment of a Fiscal Affairs Superintendent and employment of an Accountant to interpret and implement these tax laws.*

### Auditor General's Position

- 1.1.3.6 **We acknowledge Management's acceptance** of the recommendation. We will make a follow up on the implementation of the recommendation during subsequent audit.

## 1.2 Compliance Issues

### 1.2.1 Actual Payments vs County Resolution

#### Observation

1.2.1.1 Regulation E.16 (1) of the PFM of the PFM Act of 2009 States that "a head of government agency may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities."

1.2.1.2 It was observed during the conduct of the audit that actual payments made to contractors/vendors for various projects and/ or programs exceeded the approved county resolution/budget by **US\$66,228.44** (Sixty-Six Thousand Two Hundred Twenty-Eight United States Dollars Forty-Four cents). There was no evidence of County Resolution authorizing the additional payment.

1.2.1.3 Additionally, it was observed during the conduct of the audit that the contract amount exceeded approved budget by **US\$8,568.62** (Eight Thousand Five Hundred Sixty- Eight United States Dollars Sixty-Two cents). There was no evidence of a County Resolution to support the transaction. **Refer to Appendix 1 for details.**

#### Risk

1.2.1.4 Payments in excess of the approved budget thresholds or County's resolution could undermine the objectives of the county's development agenda.

#### Recommendation

1.2.1.5 The Grand Kru County Administration should provide justification for exceeding the approved budgeted thresholds set by the Development Council for each project and/or program.

1.2.1.6 In addition, the County Administration should provide substantive justification for contracting in excess of the approved County Resolution Budget.

1.2.1.7 Going forward, the Grand Kru County Administration should ensure that an emergency County Stakeholders/Caucus meeting is convened to approve amendments and changes previously approved in County Resolutions Budget in order to avoid over spending.

#### Management's Response

1.1.3.7 *Grand Kru County Administration accepts the findings. This finding derived from County Council being held and funds appropriated before technical activities associated with the implementation of projects such as drawing and bill of quantity are obtained. To remediate this finding, GKCA will ensure that prior to appropriating funds for projects, the project drawing and bill of quantity are available and the funds appropriated accordingly.*

**Auditor General’s Position**

1.2.1.8 We acknowledge Management’s acceptance of the recommendation. However, The Grand Kru County Administration should ensure that an emergency County Stakeholders/Caucus meeting is convened to approve amendments and changes previously approved in County Resolutions Budget in order to avoid over spending Project Supervision

**Observation**

1.2.1.9 Section 41 of the Amended and Restated PPC Act of 2010 states that “(1) The Procuring Entity shall be responsible for the administration and monitoring of the contracts entered into by the entity. The functions shall include at least the following:

- ensuring that the contractor complies with the specifications and the terms of the contract;
- ensuring that the contract is being performed on schedule;
- ensuring that payment made to the contractor are in accordance with the terms of the contract;
- determining when a contract has been successfully performed which will entitle the conditions to final payment
- In the case of each contract awarded by the procuring Entity, designating a contract administration officer who will have responsibility for the administration of the contract consistently with the requirements of this Act and the regulations”.

1.2.1.10 It was observed during the conduct of the audit that the Construction of the Superintendent Residence was not completed in three months as stated in the contracted agreement between the Kru County Administration and the Global Investment International Ltd. **Refer to Table 3 for details.**

**Table 3: Untimely Completion of Projects**

No.	Project/ Program	Contractor	Project Start Date	Project Due Date	Project Completion Date	Project Status
1.	Superintendent’s Residence	Global Investment International Trading Ltd.	January 23, 2013	June 23, 2013	September 28, 2015	Completed and currently in use

**Risk**

1.2.1.11 The untimely completion of Projects or Programs could lead to delay or the non-achievement of the **Development council’s** objectives.



### **Recommendation**

- 1.2.1.12 The Grand Kru County Administration should provide material justification for the delay in completing the Superintendent Residence in a timely manner.
- 1.2.1.13 Going forward, the Grand Kru County Administration should ensure that proper mechanisms are put in place to enhance the timely implementation of development projects and programs.

### **Management's Response**

- 1.2.1.14 *We accept this finding. The delay was associated with several factors beyond our control; bad road condition, damaged bridges and the duration of processing payment in the County and clearing at the Ministry of Internal Affairs. To remedy this, the County Administration will ensure that project start and end dates will be periodically reviewed and compensation adjustment made considering the delay in processing and clearing contractor's payments.*

### **Auditor General's Position**

- 1.1.3.8 **We acknowledge Management's acceptance of the recommendations.** However, the Grand Kru County Administration is in breach of Section 41 of the Amended and Restated PPC Act of 2010.

## **1.2.2 Policies and Procedures**

### **Observation**

- 1.2.2.1 The Committee of Supporting Organization of the Treadway Commission (COSO) internal control framework on control activities stipulates that **"Institutions** deploy control activities through policies that establish what is expected and procedures that put policies into action". **Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.**
- 1.2.2.2 It was observed during the conduct of the audit that Grand Kru County Administration had no policy and approved procedures for Scholarship and Petty cash.

### **Risk**

- 1.2.2.3 The lack of policies to regulate financial activities for scholarships and petty cash could lead to discretionary decisions.

### **Recommendation**

- 1.2.2.4 Going forward, the Grand Kru County Administration should ensure that policies and procedures are put in place to guide the implementation of the County activities.

**Management's Response**

- 1.2.2.5 *We accept this finding. Policy for scholarship which was drafted by the Ministry of Internal Affairs is (has) yet to be completed and shared. Also, GKCA does not have a (government approved petty cash policy and procedure from the Ministry of internal Affairs, to provide guidance to the GKSA) if there is any to be used as a guide. To remediate this finding, the County Administration will contact the Ministry of Internal Affairs to obtain a copy of the said policy and procedure for onward implementation and adherence. If we do not receive said policy and procedure from the Ministry of Internal Affairs, we will develop same for discussion and adoption at the next County Council.*

**Auditor General's Position**

- 1.2.2.6 We acknowledge **Management's acceptance** of our recommendation. We will make a follow up on the implementation of the recommendation during subsequent audit.



## **2 ACKNOWLEDGEMENT**

- 2.1 We acknowledge the cooperation and assistance provided to the GAC Audit Team by the Management and staff of the Grand Kru County Administration and the Minister and staff of the Ministry of Internal Affairs during the audit. The efforts and commitment of GAC staff in conducting this audit are also gratefully acknowledged.

  
**Yusador S. Gaye CPA, CGMA**  
**Auditor General, R.L**

**Monrovia, Liberia**  
**June, 2017**

## **APPENDIX**



**Appendix 1 Payments that Exceeds Approved Budget/County Resolution**

No.	Projects/Programs	Contacting	Contract Agreement Price A	Approved Budget/Resolution \$US B	Actual Project/Program Cost \$US C	Contract Cost vs Actual Project Cost A-C	Approved Budget vs Actual Project Cost B-C	Comments	Reference
1.	Superintendent's Residence	Global Investment International Trading Ltd.	US\$ 110,247.60	US\$ 65,000.00	US\$ 118,816.22	US\$ 8,568.62	US\$ 53,816.22	Addendum was made in the initial contract value.	Exhibit 1
2.	PMC, PMT & County Adm Supervision	Grand Kru County	Not applicable	US\$ 13,000.00	US\$ 14,705.00		US\$ 1,705.00	Travel expenses and allowances	Expenditure report and County Resolution
3.	Other Outstanding obligations	Grand Kru County	Not applicable	US\$ 7,000.00	US\$ 15,060.62		US\$ 8,060.62	Liability from past activities J. Blamo Toe Elem & Jr School and Others	Expenditure report and County Resolution
4.	Administrative Support (County Administrative)	Grand Kru County	Not applicable	US\$ 30,516.00	US\$ 33,162.60		US \$2,646.60	County administrative cost & Misc	Expenditure report and County Resolution
	<b>Total</b>		<b>US\$107,750.00</b>	<b>US\$115,516.00</b>	<b>US\$173,175.82</b>	<b>US\$8,568.62</b>	<b>US\$66,228.44</b>		



**EXHIBIT**



**Exhibit 1**



**(Superintendent's Residence, Barclayville)**

**ANNEXURE**

## **Annexure 1: PUBLIC PROCUREMENT AND CONCESSIONS COMMISSION REGULATION**

### **REGULATION ON THE METHODS OF PROCUREMENT**

#### **PART V - METHODS OF PROCUREMENT**

##### **Choice of Procurement**

**46. (1)** Public procurement shall be undertaken by means of advertised open bid proceedings, to which equal access shall be provided to all eligible and qualified bidders without discrimination, subject only to the exceptions provided under this Part.

**(2)** It is not permitted artificially to divide procurement with the intention of avoiding the monetary thresholds established under this Act or other instruments issued for the purposes of this Act.

**(3)** If the Procuring Entity uses a method of procurement other than advertised open competitive bidding, it shall note in the record of the procurement proceedings the grounds for the choice of the procurement method.

##### **Request for Quotations**

**53.** The request for quotations method may be used for the procurement of goods, works and services

**(a)** Where the procurement is for readily available commercially standard goods, not specially manufactured to the particular specifications of the Procuring Entity and the estimated value does not exceed the amount set in the Schedule;

**(b)** When the estimated value of the procurement of small works, does not exceed the amount set in the Schedule;

**(c)** When the estimated value of the procurement of services does not exceed the amount set in the Schedule.

##### **Basic Procedures for Request for Quotation**

**54. (1)** Quotations shall be requested for in writing from as many bidders as practicable, but from at least three **(3)** bidders.

**(2)** The request shall contain a clear statement of the requirements the Procuring Entity as to quality, quantity, terms and time of delivery, as well as any other special requirements.

**(3)** Bidders shall be given adequate time to prepare and submit their quotations, but each bidder shall

be permitted one quotation, which may not be altered or negotiated.

**(4)** A purchase order shall be placed with the bidder that provided the lowest-priced quotation meeting the delivery and other requirements of the Procuring Entity.

## **1.2 Annexure 2: PUBLIC PROCUREMENT AND CONCESSIONS COMMISSION REGULATION No. 3**

### **REGULATION ON THE SCHEDULE OF THRESHOLDS FOR PROCUREMENT**

**Whereas,** the Government of Liberia decided that the Public Procurement and Concessions ACT OF 2005 be amended and restated for enhanced clarity;

**Whereas,** the Government has decided to remove the Schedule of Thresholds for Procurement specified in the original Public Procurement and Concessions Act of 2005 from said Act and placed in regulations;

**Whereas,** the Schedule of Thresholds may be amended as necessary from time to time by regulations adopted by the Commissioners;

**Whereas;** the thresholds are generally intended to strike a critical balance between freedom for Procuring Entities to operate without undue delay and the need for the Commission to be able to monitor effectively procurement activities and assure compliance with the Act, and

**Whereas,** the Commission has broad-based consultations with stakeholders, donor partners and with the approval of cabinet reviewed and agreed on this Schedule of Thresholds in compliance with Section 139 of the Amended and Restated PPC Act, 2010 to be used by all procuring entities of the Government of Liberia;

**Now Therefore,** it is hereby declared and Regulated by this Commission that this Regulation shall be known, styled and called:

### **SCHEDULE**

#### **THRESHOLD FOR PROCUREMENT CONTRACTS**

In this Schedule "Act" refers to the Amended and Restated Procurement and Concessions Act, 2010, as from time to time amended, the regulations from time to time issued and outstanding hereunder.



Users of this Schedule should note the following:

A. Some thresholds set forth below represent ceilings and others represent floors.

B. The Act sets forth restrictions, limitations and prohibitions on the use of particular Procurement methods that are not expressly set forth in this Schedule. The fact that a procurement method fits within the threshold under this Schedule is not sufficient to establish that it is permitted under the Act.

C. There is not minimum contract size below which the use of international competitive bidding or national competitive bidding is prohibited. Thus, for example, a Procuring Entity may use international or national competitive bidding even if the use of a request for quotations is permitted if, in the discretion of the Procuring Entity, such use of international or national competitive bidding is consistent with conducting an efficient and effective procurement.

### **1. International open Competitive Bidding**

- The Thresholds above which international open competitive bidding shall be used are the ceiling the Thresholds for national open competitive bidding.

### **2. National open Competitive Bidding**

- The ceiling Thresholds for national open competitive bidding shall be the following estimated contract prices. Above these ceilings, international open competitive bidding shall be used.
- In the case of contracts for the procurement of goods, US\$500,000
- In the case of contracts for the procurement of services, US\$200,000
- In the case of contracts for the procurement of works, US\$1,000,000

### **3. Thresholds for use of request for Quotations**

- Thresholds for the requests for quotations shall be the following estimated contract prices. The
- Thresholds are ceiling threshold amounts for determining the applicability of requests for quotations:
- In the case of contracts for the procurement of goods, US\$10,000
- In the case of contract for the procurement of services, US\$10,000
- In the case of contracts for the procurement of works, US\$30,000

### **4. Thresholds for use of Restricted Budding**

The use of restricted bidding pursuant to Section 50(4) to seek bids and award contracts must be approved by the Commission where the estimated price of the procurement exceeds:

- In the case of contracts for procurement of goods, US\$50,000
- In the case of contracts for procurement of services, US\$20,000
- In the case of contracts for procurement of works, US\$100,000
- In an appropriate case, the Commission may give blanket approvals for the use of restricted bidding.

## 5. Contracts for Publication of Planned Sole Source Procurement

Publication prior to award is required under the first sentence of Section 56(2) for sole source contracts where the estimated price exceeds US\$100,000.

## 6. Contracts for the Procurement Consultant

The solicitation of the expressions of interest is required for contracts for the procurement of consultant services when the estimated contract price of the services exceeds US\$100,000.

## 7. Authority to Reject and Signing Authority for Procurement Contract Awards at the Entity Level

Type of Contracts	Contract Value (Threshold)	Authority to Reject Proposed Contract Award per Section 27(f)	Signing Authority for Contract Award per Section 66(3)
Goods and Services	Less than US\$10,000	Head of Procuring Entity	May be delegated
	Over US\$10,000	Procurement Committee	Head of Procuring Entity
Consulting Services	Less than US\$10,000	Head of Procuring Entity	May be delegated
	Over US\$10,000	Procurement Committee	Head of Procuring Entity
Works	Less than US\$30,000	Head of Procuring Entity	May be delegated
	Over US\$30,000	Procurement Committee	Head of Procuring Entity

## 8. Prior notice to the Commission of proposed contract awards (14 day waiting period)

Pursuant to Section 31(1), Procuring Entities shall give at least fourteen (14) days prior notice to the Commission of proposed awards of procurement contracts when the estimated price of the procurement contracts exceeds the amount set forth below:

- In the case of contracts for the procurement of goods, US\$200,000
- In the case of contracts for the procurement of services, US\$100,000
- In the case of contracts for the procurement of works, US\$400,000

Pursuant to Section 71(2) Procuring Entities shall give at least fourteen (14) days prior notice to the Commission of proposed awards of consulting contracts when the estimated price of the consulting contract exceeds US\$100,000. **(US\$200,000)** if the contract has been awarded following the solicitation of expressions of interest in accordance with Section 68(2).

### **9. Notice and publication of contract awards**

Pursuant to Section 37, Procuring Entities shall give prompt notice of contract awards to the Commission for publication when the contract price of the procurement exceeds:

- In the case of contracts for the procurement of goods, US\$20,000
- In the case of contracts for the procurement of services, US\$10,000
- In the case of contracts for the procurement of works, US\$30,000

### **10. Contracts over US\$250,000**

The Ministry shall take part in the negotiations and signings of contracts over US\$250,000 and the contract shall be attested to by the Ministry of Justice.

The Procuring or Concession Entity shall comply with the thresholds set out in this Schedule to the Regulation in accordance with the provisions of the PPC Act:

**DONE IN THE CITY OF MONROVIA, COUNTY OF MONTERRADO, REPUBLIC OF LIBERIA  
THIS 13TH DAY OF OCTOBER A.D. 2010 BY AUTHORITY OF THE PUBLIC PROCUREMENT  
AND CONCESSIONS COMMISSION.**

SIGNED BY: \_\_\_\_\_

Esther W. Paegar (Mrs.)  
ACTING CHAIRMAN  
PUBLIC PROCUREMENT & CONCESSIONS COMMISSION