



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On The Audit of the Grand Kru
County**

Administration Funds

**For the Period July 1, 2013 to
June 30, 2014**

June, 2017

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

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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 Periods July 1, 2013 to June 30, 2014.

We have audited the activities and financial transactions of the Grand Kru County Administration in compliance with relevant laws and regulations for the periods ended June 30, 2014 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 to the Grand Kru County Sport Association amounting to **US\$5,000.00** (Five Thousand 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\$1,809.63** (One Thousand Eight Hundred-Nine United States Dollars and Sixty Three 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\$78,149.90** (Seventy Eight Thousand One Hundred Forty-Nine United States Dollars Ninety cents). There was no evidence of a County Resolution authorizing the additional payments.

Additionally, the contract amount exceeded approved budget by **US\$39,175.94** (Thirty Nine Thousand One Hundred Seventy Five United States Dollars Ninety-Four 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 requested 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 of 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\$**757,547.96** to fund activities for the period. In the same period, the county disbursed US\$ **529,683.73** for projects and programs approved by the Grand Kru County Development Council thus, resulting to a carry forward of US\$ **227,864.23** (Refer to table 1).

Table 1: Schedule of Revenue Receipts & Expenditure

Date	Source	Amount US\$
Dec. 09, 2013	CDF/SDF – Balance Brought forward	147,841.67
March 31, 2014	CDF/SDF 2013/2014	200,000.00
Jan. 27, 2014	Buah Administrative Building	56,182.29
March, 2014	SDF-ARL/FDA(2010/2011,2011/2012,2012/2013,2013/2014	343,524.00
March, 2014	CDF/SDF – Equipment Rental Fees	5,000
Dec.13, 2014	GOL contribution towards 2013/1014 July 26	5,000.00
Total Receipts		US\$757,547.96
Expenditure		
Administrative		102,582.88
Projects/ Programs		427,100.85
Total		US\$529,683.73
C/F		US\$227,864.23

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, 2013 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 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 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 contributed a check of **US\$5,000.00** (Five Thousand United States Dollars) as contribution to the Grand Kru Sports Association for 2013/2014 National Sports Meet. The Grand Kru Sports Association did not provide 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	00212	2632203	5,000.00
Total					US\$5,000.00

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 Sports Association should provide the necessary supporting documentation containing signatures of the beneficiaries for the **US\$5,000.00** (Five Thousand United States Dollars) to assure the regularity of the transactions.

Management's Response

- 1.1.1.5 *Grand Kru County Administration (GKCA) acknowledged the finding. To remediate this finding, we will implement the following financial policies and procedures controls:*
- a. *Whenever check in support of the National Sports Meet is issued in favor of the Grand Kru County Sports Association for deposit into the sport account, an official from Grand Kru County Administration will witness and along with each beneficiary or directly collect all receipts for purchases made by the sport committee.*

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 bank reconciliations for the FY2013/2014 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. During the period under-review the County Administration did not have any staff, like an Accountant within the system that had the capacity and ability to perform periodic bank reconciliation. Those elected at Project Management Committee (PMC) has no knowledge not even book-keeping. With the appointment of Grand Kru County Fiscal Affairs Superintendent hereafter bank reconciliation will be enforced.*

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\$1,809.63** (One Thousand Eight Hundred-Nine United States Dollars and Sixty Three Cents) representing taxes from various vendors for procurement of goods, services, and works. **Refer to Table 2 for details.**

Table 2: Unremitted GOL Withholding Taxes

Date	Transaction Details	Payee	Voucher #	Ck #	Payments (US\$)	Tax Amount (US\$ 4%)
11/20/2014	PMC and PMT 4 th Quarter Allowance (October- December)	Thomas F. Nyanti	416	2632379	4,434.21	177.36
5/12/2014	Three (April, May, & June) Months Stipend for GVK Personnel	J. Karway Suah	307	2632280	5,627.50	225.10
6/24/2014	PMC Supervision (April – June)	Moses S. Togba	354	2632319	750.00	30.00
6/24/2014	PMC Supervision (April – June) 2014	Matthew Toe	351	2632315	1,250.00	50.00
7/9/2014	Payment for construction of 900mm Culvert (10pcs/line)	Mentee Padmore	363	2632328	5,997.16	239.80
7/9/2014	Payment for construction of 150mm Culvert, Filoken Highway	Mentee Padmore	364	2632329	8,333.50	333.34
30-Jul-13	Payment for construction of 1500mm Culvert, Filoken Highway	Mentee Padmore	365	2632330	7,315.00	292.60
7/9/2014	payment for critical spot, Sasstown Highway	Mentee Padmore	367	2632332	5,000.00	200.00
2/10/2014	Payment for damaged log bridges Dewken-Gbanken Highway	Albert Nebo	404	2632365	6,535.86	261.43
	Total					1,809.63

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 did have in its possession a copy of the revenue code 2000 for understanding and implementation, in addition GKCA does not have the professionals to understand, interpret, implement and execute this tax law.*

Auditor General's Position

- 1.1.3.6 **We acknowledge Management's acceptance of** our recommendation; However, Management should contact the Liberia Revenue Authority (LRA) to obtain the tax code and for possible training of staffs on how to calculate and remit withholding taxes.

1.2 Compliance Issues

1.2.1 Payments that Exceeds Approved Budget/County Resolution

Observation

- 1.2.1.1 Regulation E.16 (1) 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\$78,149.90** (Seventy-Eight Thousand One Hundred Forty-Nine United States Dollars Ninety cents). There was no evidence of County Resolution authorizing the additional payment. **Refer to Appendix 1 for details.**

Risk

- 1.2.1.3 Payments in excess of the agreed contract agreement thresholds could undermine the objectives of the county's development agenda.

Recommendation

- 1.2.1.4 The Grand Kru County Administration should provide justification for exceeding the thresholds as agreed for each project and/or program.

1.2.1.5 Going forward, the Grand Kru County Administration should ensure that amendments to contractual agreements are made in order to avoid over spending.

Management's Response

1.2.1.6 *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. As the result, funds are appropriated as "outstanding obligation" to cover extra funds expended. 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. See attached 2014/2015 resolution count 12, outstanding obligations (extra funds used for Chief Compound, Buah, Bolloh and Jloh projects) in the tune of US\$39,175.94.*

Auditor General's Position

1.2.1.7 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.

1.2.2 Breach of Contract

Observation

1.2.2.1 Section 2 of the Contract Agreement between the Project Management Team (PMT) of Jloh Traditional Community, Jloh, Grand Kru County and the X – Pert Engineers & Construction Group required that the Jloh Community would provide **US\$61,463.30** (Sixty One Thousand Four Hundred – Sixty Three United States Dollars Thirty cents) for the construction of Administration Building in Betu City, Jloh Statutory District within (3) months and a grace period of (1) month. Payment terms included a (30%) equal payment of **(US\$18,438.99)** for (3) stages of completion with the balance of (10%) **US\$ 6,146.33** retention fee to be paid 30 days after the dedication and turning over of the building.

1.2.2.2 It was observed during the conduct of the audit that the actual duration of the contract exceeded and the stipulated time as agreed in the contract document. The first (30%) contract value and Second (30%) contract value were paid after (4) and (10) months respectively. **Refer to Table 3 for details.**

Table 3: Breach of Contract

No.	Project/ Program	Contractor/Payee	Project Start Date	Project Due Date	Amount US\$
1.	Construction of Administration	X-Pert Engineers & Construction Group.	March 29, 2014	July 29, 2014	US\$18,438.99



No.	Project/ Program	Contractor/Payee	Project Start Date	Project Due Date	Amount US\$
	Building in Betu City, Jloh Statutory District				
2.	Construction of Administration Building in Betu City, Jloh Statutory District	X-Pert Engineers & Construction Group.	March 29, 2014	July 29, 2014	US\$17,701.40

Risk

1.2.2.3 The objectives of the project may not be achieved in a timely manner.

Recommendation

1.2.2.4 The Grand Kru County Administration should provide material justification for not ensuring that the contractual agreement was fully implemented.

1.2.2.5 Going forward, the Grand Kru County Administration should ensure that future contract agreements are implemented according to their terms of agreement.

Management's Response

1.2.2.6 *We accept this finding. The delay was due to the outbreak of the deadly virus Ebola coupled with bad road condition during the raining season, bridges, rivers and the duration of processing payment in the County and clearing at the Ministry of Internal Affairs. To remediate this, the County Administration will ensure that in the event of any outbreak during a contract period, an official stop order document will be instituted.*

Auditor General's Position

1.2.2.7 We acknowledge **Management's acceptance of** our recommendation. However, to curtail the overspending on projects, the Grand Kru County Administration should seek the approval of the County Development Council before the commencement of the project.

1.2.3 Project Supervision

Observation

1.2.3.1 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”.**

1.2.3.2 It was observed during the conduct of the audit that the Construction of the Betu Administration Building was not completed in four months stipulated in the contract agreement between the Project Management Team (PMT) of Jloh Traditional Community of Kru County and the X-Pert Engineers & Construction Group. **Refer to Table 4 for details.**

Table 4: Untimely Completion of Projects

No.	Project/ Program	Contractor	Project Start Date	Project Due Date	Project Status
1.	Construction of Administration Building in Betu City, Jloh Statutory District	X-Pert Engineers & Construction Group	March 29, 2014	July 29, 2014	Ongoing at present

Risk

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

Recommendation

1.2.3.4 The Grand Kru County Administration should provide material justification for the delay in completing the Construction of Administration Building in Betu City, Jloh Statutory District in a timely manner.

1.2.3.5 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

1.2.3.6 *We accept this finding. The delay was associated with several factors; outbreak of the Ebola virus coupled with bad road condition, bridges, rivers and the duration of processing*



payment in the County and clearing at the Ministry of Internal Affairs. To remediate this, the County Administration will ensure that no contract is signed between the months of March and October, also project start and end dates will be periodically reviewed and compensation adjustment made considering the delay in processing and clearing contractors' payments.

Auditor General's Position

- 1.2.3.7 **We acknowledge Management's acceptance of the recommendations. However, the Grand Kru County Administration should be held accountable for the violation of the PPC Act of 2009.**

1.2.4 **Policies and Procedures**

Observation

- 1.2.4.1 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.

- 1.2.4.2 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

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

Recommendation

- 1.2.4.4 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


- 1.2.4.5 *Grand Kru County Administration accepts the finding. Policy for scholarship drafted by the Ministry Affairs is yet to be completed and share. Also, The GKCA does not have a (government approved petty cash policies and procedures 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 policies and procedures for onward implementation and adherence. If we do not receive said policies and procedures from the Ministry of Internal Affairs, we will develop same for discussion and adoption at the next county council.*

Auditor General's Position

- 1.2.4.6 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 in Exceeds of Approved Budget/County Resolution

No.	Projects/Programs	Contactore	Contract Agreement Price	Approved Budget per Resolution \$US A	Actual Project/Program Cost per Expenditure Report \$US B	Approved Budget vs Actual Project cost A-B	Comments	Reference
1.	Support to Voice of Grand Kru Radio Station	Grand Kru County.	Not Stipulated	US\$14,000.00	US\$24,005.60	(US\$) 10,005.60	Employees allowances and material support	Expenditure report and County Resolution
2.	PMC, PMT & County Adm Supervision	Grand Kru County	Not Stipulated	US\$13,000.00	US\$18,705.25	(US\$) 5,705.25	Travel expenses and allowances	Expenditure report and County Resolution
3.	Other Outstanding obligations	Grand Kru County	Not Stipulated	US\$28,525.00	US\$33,200.92	US\$ 4,675.92	Liability from past activities (curvets, bridges, road maintenance central high school) and Others	Expenditure report and County Resolution
4.	Administrative Support (County Administrative)	Grand Kru County	Not Stipulated	US\$19,491.00	US\$73,391.13	US\$ 53,900.13	County administrative cost & Misc	Expenditure report and County Resolution
5	Support to youth and children parliament	Grand Kru County	Not Stipulated	US\$2000.00	US\$3,288.00	US\$ 1,288.00	Sport allotment	Expenditure report and County Resolution



*Auditor General's Report on The Audit of the
Grand Kru County Administration Funds
For the Periods July 1, 2013 to June 30, 2014*

No.	Projects/Programs	Contactor	Contract Agreement Price	Approved Budget per Resolution \$US A	Actual Project/Program Cost per Expenditure Report \$US B	Approved Budget vs Actual Project cost A-B	Comments	Reference
6.	Supports to Sports	Grand Kru County	Not Stipulated	US\$6000.00	US\$8,575.00	US\$ 2,575.00	Sport allotment	Expenditure report and County Resolution
	Total		US\$	US\$83,016.00	US\$161,165.90	(US\$78,149.90)		



EXHIBIT



Exhibit 1



(Administration Building in Betu City, Jloh Statutory District)

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.

1.1 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 Bidding

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