



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On The Audit of Montserrado
County Administration Funds**

**For the Period July 1, 2014
to June 30, 2015**

December, 2016



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Auditor General, RL**

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CDF	County Development Fund
CGMA	Certified Global Management Accounting
COSO	Committee of Sponsoring Organizations
CPA	Certified Public Accountant
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
GSA	General Services Agency
INTOSAI	International Organization of Supreme Audit Institutions
L\$	Liberian Dollars
LBDI	Liberia Bank for Development & Investment
LBR	Liberia Business Registry
PFM Act	Public Finance Management Act
PMC	Project Management Committee
PPC Act	Public Procurement Concessions Act
PPCC	Public Procurement and Concessions Commission
SDF	Social Development Fund
TOR	Terms of Reference
US\$	United States Dollar
ISSAIs	International Standards of Supreme Audit Institutions



Compliance Report on the Montserrat County Administration Funds for the Period July 1, 2014 to June 30, 2015.

We have audited the activities and financial transactions of the Montserrat County Administration Funds in compliance with relevant laws and regulations for the periods ended June 30, 2015 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 Montserrat 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 Montserrat 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 Montserrat County Administration Funds 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 Montserrado County Administration 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 Montserrado County Administration made payments of **US\$146,300.00** (One Hundred and forty-six thousand, three hundred United States Dollars) in the name of Financial Officer for purchases of several Ebola prevention materials and other items rather than make the payments to the service providers/vendors.

The Montserrado County Administration made payments in the total amount of **US\$115,000.00** (One Hundred, fifteen thousand) for Ebola prevention materials and other goods and services without adhering to the Amended and Restated PPC Act of 2010.

The Government of Liberia (GOL) paid an annual salary of **L\$ 2,520,000.00** (Two million, five hundred and twenty thousand Liberia dollars) to 20 employees of the Montserrado County administration during the period under audit without evidence that the employees signed the daily attendance log and reported to work.

Additionally, GOL made payment in the amount of **L\$864,400.00** (Eight Hundred, sixty-four thousand, four hundred Liberia dollars) to six employees who have died and are still maintained on the Montserrado County payroll. The employees were maintained on the payroll between 9 to 17 months after the statutory period of three months had elapsed.

Montserrado County Administration did not maintain fixed assets registry/listing that would show a list of coded assets, date of purchase, cost, location and current condition. As a result, we could not carry on physical verification of fixed assets to establish the ownership of assets acquired for the period under review.

Adverse Conclusion

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


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

Monrovia, Liberia
December 2016



BACKGROUND

Background of the Montserrado County Administration Funds Audit

The Auditor General of Liberia was requested by the Office of the President through the Minister of Internal Affairs to conduct an audit of the Montserrado County Administration Funds for periods July 1, 2013 to June 30, 2015. The Audit of the Montserrado County Administration Funds was commissioned on July 12, 2016.

The purpose of the Montserrado County Administration funds as outline in the National Budget is to enhance security and foster conflict resolution; upgrade/rebuild infrastructure and broaden socio-economic services to the residents of the County.

The Montserrado County Administration, for the period audited, had available in its account **US\$ 350,779.33** to fund activities for the period. In the same period, the county disbursed **US\$ 373,559.52** for projects approved by the Montserrado County Development Council thus, resulting to a variance of **(US\$22,820.19)**. Management asserted that the variance is due to bank overdraft. **Refer to Table 1 below for a breakout of receipts and disbursements.**

Table 1: Schedule of Receipts

Date	Source	Check/Reference #	Amount US\$
	Bank Balance B/F	N/A	67,446.33
7/15/2014	CBL check	17156	1,834.00
7/16/2014	ECOBank check	2572282	3,500.00
7/29/2014	ECOBank check	2678917	1,500.00
09/03/14	CBL Check	33397	276,500.00
Total Receipts			350,779.33
Schedule of Disbursements			
Ebola Related Expenses			276,500.00
Other Expenses			97,099.52
Total Disbursement			373,559.52
Variance			-22,820.19

For the periods under audit, Montserrado County had the following management personnel who handled the administrative and financial affairs of the County.

Table 2: Key Personnel

No.	Name	Position	Tenure
1.	Hon. Florence Brandy	Former Superintendent	2012- present
2.	Hon. Sylvester Lama	Assistant Superintendent/Development	2012-present
	Hon. George Zinnah	Assistant Superintendent/ Fiscal Affairs	2015-present



No.	Name	Position	Tenure
3.	Mrs. Bellow M. W. Dennis	Project Management Committee (PMC)- Chairman	2013-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 Montserrat Administration Funds for the period July 1, 2014 to June 30, 2015 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 International Standards of Supreme Audit Institutions (ISSAIs), Fundamental Auditing Principles and Guidelines for Compliance Audit. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial information provided by the Montserrat 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 objectives.

Our audit also took cognizance of the requirements under the Auditor General's mandate as spelt out under Sections 2.1.3 of the GAC Act of 2014. Our audit approach included observation, inquiries, inspections, re-performance, confirmation, and analytical procedures on areas we considered as high risk.

Limitation of Responsibility

We reviewed the systems and management controls operated by the Montserrat 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 to Third Party

Observation

- 1.1.1.1 Regulation B. 28 of the PFM Act of 2009 states that "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 1.1.1.2 It was observed during the conduct of the audit that the Montserrat County Administration made payments of **US\$146,300.00** (One Hundred and forty-six thousand, three hundred United States Dollars) in the name of Financial Officer, Nagbe Sonpon, for purchases of several Ebola prevention materials and other items rather than in the name of the service providers/vendors. **Refer to Table 3 for details.**

Table 3: Payments to third Party

No.	Date	Description	Third Party	Second Party	Check #	Amount US\$
1	9/4/2014	Purchase of faucet Buckets, megaphones and Prevention cost	Nagbe Sonpon	Specific vendor	00281725	100,000.00
2	9/16/2014	Balance payment for District Awareness support to ambulance, Hazard allowance for Essential staff and purchase of item for ETU	Nagbe Sonpon	Specific vendor	30001	30,000.00
3	9/24/2014	Purchase of items for ETU and Health Center	Nagbe Sonpon	Specific vendor	300023002	15,500.00
						146,300.00

Risk

- 1.1.1.3 Checks raised in the names of employees or individuals for procurement of goods /services could be diverted to personal use thus leading to misappropriation of funds.

Recommendation

- 1.1.1.4 The Montserrat County Administration should provide substantive justification for authorizing payments in the name of Mr. Nagbe Sonpon rather than in the name of the service providers/vendors.



- 1.1.1.5 Going forward, the county Administration should make payments only in the name of vendors it transacted business with.

Management Response

- 1.1.1.6 *We acknowledged the observation but the check was made to Mr. Nagbe Sonpon, the then County Comptroller as Central Bank during this financial period was introducing new Bank checks with special features as a result the transactions were made using counter checks. The funds were used for the intended purpose which greatly impacted the fight against Ebola in Montserrat County as every community was touched.*

Auditor General's Response

- 1.1.1.7 Management's assertion that changes were made to the CBL checks does not justify payment in the name of an employee of the County. Therefore, management is in violation of B. 28 of the PFM Act of 2009 and a breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.2 Segregation of Duties

Observation

- 1.1.2.1 Regulation A.15(1) of the PFM Act of 2009 states that "a head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless, and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal control to mitigate these risks".
- 1.1.2.2 It was observed during the conduct of the audit that there appears to be the lack of segregation of duties in the operational and financial transactions of the County Administration. The Financial Officer, Nagbe Sonpon prepared payment vouchers in his own name, signed the payment vouchers as one of the authorizing signatories and directly procured Ebola preventive materials in amount **US\$146,300.00** (One Hundred and forty-six thousand, three hundred United States Dollars)
- 1.1.2.3 It was also observed that the Mr. Sonpon undertook the functions of a procurement officer and directly purchased the Ebola preventive materials.

Risk

- 1.1.2.4 Fraud and conflict of interest could be perpetuated and concealed for a longer period.

Recommendation

- 1.1.2.5 The Montserrat County Administration should provide substantive justification for not instituting proper segregation of duties in order to foster the County development agendas.



- 1.1.2.6 Going forward, the Montserrat County Administration should institute proper segregation of duties.

Management Response

- 1.1.2.7 *During the Ebola outbreak, the government mandated that all nonessential staff in government Ministries and Agencies be sent home until the end of the Ebola fight, hence, the issue of segregation of duties could not have realized because limited employees were left to implement programs and business of the county Administration.*

Auditor General's Response

- 1.1.2.8 Employees who conduct the financial activities of the County administration are essential to the Management of the County. Hence, Management's assertion is not materially justified. Therefore Management should be held accountable for the breach of A.15(1) of the PFM Regulations of 2009

1.1.3 Bank Reconciliation

Observation

- 1.1.3.1 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."

- 1.1.3.2 It was observed during the conduct of the audit that the Montserrat County Administration did not perform any bank reconciliations for the entire period under audit.

Risk

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

Recommendation

- 1.1.3.4 The Montserrat County Administration should provide substantive justification for failing to prepare bank reconciliation for the period under audit.

- 1.1.3.5 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 Response

- 1.1.3.6 *Management did not respond to this observation.*



Auditor General's Response

- 1.1.3.7 In the absence of a response, Management should be held accountable for the breach of Regulation R.3(6) of the PFM Act of 2009.

1.2 Compliance Issues

1.2.1 Payments not in Line With PPC Act

- 1.2.1.1 Section 53 (1) of the Amended and Restated Public Procurement & Concessions Commission Act of 2010 states that, "the request for quotations method may be used for the procurement of goods, works and services."

- 1.2.1.2 Section 55 (d) of the amended and restated Public Procurement & Concession Commission Act of 2010 states that "In cases of extreme urgency, provided that the circumstances which gave rise to the urgency were neither foreseeable by the Procuring Entity nor the result of dilatory conduct on its part."

- 1.2.1.3 It was observed during the conduct of the audit that the Montserrat County Administration made payments in the total amount of **US\$115,000.00** (One Hundred, fifteen thousand) for Ebola prevention materials and other goods and services without adhering to the Amended and Restated PPC Act of 2010.

Risk

- 1.2.1.4 Non-adherence to the emergency provision of the PPC Act could lead to waste and abuse of public resources.

Recommendation

- 1.2.1.5 The Montserrat County Administration should provide material justification for not adhering to the amended and restated PPC Act and in particular section 55 (1).

Management Response

- 1.2.1.6 *During the Ebola outbreak the County was constrain to implement outside the PPCC regulation as our citizens were dying on a daily basis. Because of this acute emergency, we could not follow the PPCC guideline but the county has followed these regulations in the past as seen by documentations submitted to your office.*

Auditor General's Response

- 1.2.1.7 Section 53 (1) of the amended and restated PPC Act specifically provides emergency provision for procurement of goods and services. There was no evidence that the County Administration followed those emergency provisions. Therefore, management should be held accountable for the breach of section 53 & 55 of the amended and restated PPC Act.



1.2.2 Fixed Assets Management

Observation

1.2.2.1 Regulation V.1 (2a & b) of the PFM Act of 2009 states that "The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that: (a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; and (b) inventory levels are at an optimum and economical level".

1.2.2.2 It was observed during the conduct of the audit that the Montserrat County Administration did not maintain fixed assets registry that would show a list of coded assets, date of purchase, cost, location and current condition. As a result, we could not carry on physical verification of fixed assets to establish the ownership of assets acquired for the period under review.

Risk

1.2.2.3 In the absence of fixed assets listing, the ownership and existence of the projects assets cannot be assured and can be susceptible to theft.

Recommendation

1.2.2.4 The Montserrat County Administration should provide material justification for not providing fixed assets listings for all assets acquired for the period under audit.

1.2.2.5 Going forward, the Montserrat County Administration should provide fixed assets listing for all assets acquired and disposed for the period under audit. Additionally, proper fixed assets internal controls policies and procedures aligned with PFM regulations should be adopted and implemented for the maintenance of fixed assets.

Management Response

1.2.2.6 *We acknowledge the observation concerning our fixed assets but we have commenced the setting up of our fixed Asset registry and coding of all county assets.*

Auditor General's Response

1.2.2.7 We acknowledge Management's acceptance of our recommendation. However, the county administration should be held accountable for the breach of Regulation V.1 (2a & b) of the PFM Act of 2009.

1.2.3 Payroll Irregularities

1.2.3.1 Regulation T.5 (1) of PFM Act, 2009 states that " A Head of government agency shall cause the immediate stoppage of payment of salary to a public servant when that public servant has: (a) been absent from duty without permission or reasonable cause for a period as stipulated in the administrative regulations of the establishment; (b) been



absent from duty on leave without pay; (c) been convicted of an offence involving theft or fraud, or a sentence of imprisonment; (d) resigned; (e) retired; or (f) died.”

1.2.3.2 It was observed during the conduct of the audit that the GOL paid an annual salary **of L\$ 2,520,000.00** (Two million, five hundred and twenty thousand Liberia dollars) to 20 employees of the Montserrat County administration without evidence that these employees were signing the daily attendance log and reporting to work. **Refer to Appendix 1 for details.**

1.2.3.3 Additionally, GOL paid **L\$864,400.00** (Eight Hundred, sixty-four thousand, four hundred Liberia dollars) in the names of six employees who have died and are still maintained on the Montserrat County payroll. The employees were maintained on the payroll between 9 to 17 months after the statutory period of three months after death. **Refer to Appendix 1A for details.**

1.2.3.4 Further, 8 employees, with valid employment letters from the Ministry of Internal Affairs and the office of the Superintendent to replace employees who are dead or those who do not report to work, have not been included on the Montserrat County Administration payroll. The employees have been working between 2 to 5 years. **Refer to Appendix 1B for details.**

1.2.3.5 It was also observed during the conduct of the audit, that the daily attendance records of the Montserrat County Administration appear not to have been regularly monitored and supervised by a designated staff.

Risk

1.2.3.6 Paying salaries in the names of employees who have died or with no evidence of work attendance could result to unjust payment of salaries to ghost employees.

1.2.3.7 Failing to monitor and supervise personnel attendance records may result to compensation being paid to none deserving employees.

Recommendation

1.2.3.8 The Montserrat County Administration should provide material justification for paying salaries to employees who have died and those who do not report to work.

1.2.3.9 Going forward, the Montserrat County Administration should refrain from paying salaries to employees who do not report work without excuse (s) or have died.

1.2.3.10 The County Administration should ensure that personnel attendance records are regularly supervised and monitored by a designated staff.



1.2.3.11 The County Administration should also ensure a monthly reconciliation of the payroll.

Management Response

1.2.3.12 *The County Administration does not have authority over it's but rather the Ministry of Internal Affairs (MIA) who has absolute control over the counties payrolls. We have been trying to replace these positions in the county for more than four (4) years but bureaucracy of processing employment at the MIA personal section is very frustrating.*

Auditor General's Response

1.2.3.13 Management did not adequately address the issues raised. There was no evidence that monthly payroll was being reconciled and that daily attendance record was being monitored. Therefore, the expenditure incurred are ineligible. Additionally, the finding was based on a sample of the payroll, there could have been more ghost names that our sample may not have revealed. Therefore, we refer this matter to the Liberia Anti-Corruption Corruption for further investigation.

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 Montserrat County Administration did not develop and/or communicate policies, guidance or procedures on the following activities, among others:

- General Accounting and Ledger maintenance, including account reconciliations
- Fixed Assets
- Financial Aid/Scholarship procedures and processing
- Internal Controls
- Document management and retention

Risk

1.2.4.3 The lack of policies and procedures to regulate activities may lead to discretionary decisions and abuse of public funds.



Recommendation

- 1.2.4.4 The Montserrado County Administration should ensure that policies and procedures are put in place to guide the activities noted above.

Management Response

- 1.2.4.5 *With the employment of the Asst. Superintendent for Fiscal Affairs we have begun the process of developing fixed asset Registry, account reconciliation and the review of the financial policy.*

Auditor General's Response

- 1.2.4.6 We acknowledged Management assertion however; we will make a follow up during subsequent audit.

1.2.5 Preparation of Financial Statements

- 1.2.5.1 Regulation A.1 (2) of PFM Act of 2009 states that "Ministries agencies, and state owned enterprises shall provide financial information to the public which is accessible to the majority of the population. This will include, but not restricted to: establishing a focal point to facilitate access to financial information, making information available in the media, in local languages, in popular and summarized form and through appropriate use of the Internet."

- 1.2.5.2 I.15. (2) of the PFM regulation states that "A head of government agency who fails to submit financial statements of the Government agency is in breach of financial discipline as defined in regulation A.20."

- 1.2.5.3 It was observed during the conduct of the audit that the Montserrado County administration did not prepare and present financial statements in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS), standards adopted by the Government of Liberia to guide the preparation and presentation of financial statement for all Government line ministries, agencies, and for the whole government of Liberia.

Risk

- 1.2.5.4 The failure of the Montserrado County administration to prepare and present financial statements in accordance with IPSAS Cash Basis could deny financial statement users of relevant information important for decision making and accountability.

Recommendation

- 1.2.5.5 The Montserrado County Administration should provide material justification for not preparing a financial statements in accordance with IPSAS Cash Basis.



- 1.2.5.6 Going forward, the Montserrat County Administration should prepare financial statement in accordance with IPSAS Cash Basis.

Management Response

- 1.2.5.7 *We acknowledge and have begun the preparation of financial statement which will be reviewed by Asst. Superintendent for Fiscal Affairs.*

Auditor General's Response

- 1.2.5.8 We acknowledged Management acceptance of our recommendation. However, Management should be held accountable for the breach of Regulation A.1 (2) of PFM Act of 2009.

1.2.6 Duty to Institute Effective Internal Controls

Observation

- 1.2.6.1 PFM regulation A.15 (1) states that "The head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal control to mitigate these risks.

- 1.2.6.2 It was observed during the conduct of the audit that the Montserrat County Administration did not exercise reasonable care to prevent and detect fraud, waste and abuse as the County administration did not design and implement effective internal controls over business processes.

Risk

- 1.2.6.3 The lack of an effective internal control environment could lead to fraud and misuse of public resources.

Recommendation

- 1.2.6.4 The Montserrat County Administration should provide substantive justification for not instituting effective internal controls.

- 1.2.6.5 Going forward, the County Administration should ensure effective internal control measures.

Management Response

- 1.2.6.6 *Management did not respond to this observation.*

Auditor General's Response

- 1.2.6.7 In the absence of a response, Management should be held accountable for the breach of PFM regulation A.15 (1)



2 ACKNOWLEDGEMENT

- 2.1 2.1 We acknowledge the cooperation and assistance provided to the GAC Audit Team by the staff of the Montserrado County Administration, other individuals and institutions. The efforts and commitment of GAC staff in conducting this audit are also gratefully acknowledged.


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Monrovia, Liberia
December 2016



ANNEXURE



Annexure 1

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.

2.2 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



APPENDIX



Appendix 1: Employees who do not report work but still on the Montserrado County payroll

No.	Payroll #	Name	Position	Annual Gross Salary(L\$)	Date of employment	Comment
1	07-12-105-0030	David G. Johnson	Statutory District Supt.	158,400.00	2010	There was no evidence that this employee reported to work for the period under audit.
2	07-30-071-0093	Didymus P. Yahn	Maintenance	124,800.00	2010	There was no evidence that this employee reported to work for the period under audit.
3	07-12-973-0093	Fonie Koko	General Town Chief	120,000.00	2010	There was no evidence that this employee reported to work for the period under audit.
4	07-12-071-0153	Frances Toe	Caretaker	120,000.00	2010	There was no evidence that this employee reported to work for the period under audit.
5	07-12-071-0385	Gbelly Kamara	Paramount Chief	129,600.00	1997	There was no evidence that this employee reported to work for the period under audit.
6	07-45-012-0044	George Danitron	Clerk	124,800.00	2010	There was no evidence that this employee reported to work for the period under audit.
7	07-12-599-0012	Hilton P. Kollie	Driver	120,000.00	2014	There was no evidence that this employee reported to work for the period under audit.
8	07-12-971-0006	Jenneh Kernneh	Vice Vai Governor	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
9	07-12-513-0018	Joseph C.Kalyapan	Clerk	124,800.00	2006	There was no evidence that this employee reported to work for the period under audit.
10	07-12-972-0137	Johnson Meteh	Messenger	120,000.00	2010	There was no evidence that this employee reported to work for the period under audit.
11	07-12-071-0369	Kerkula Bordor	General Town Chief	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
12	07-12-071-0369	Lepolu Vorkpeh	General Town Chief	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
13	07-12-513-0006	Lucy Wallo	Caretaker	120,000.00	2010	There was no evidence that this employee reported to work for the period under audit.
14	07-12-972-0123	Manideh Koeh	Bassa Governor	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.



Appendix 1: Employees who do not report work but still on the Montserrat County payroll						
No.	Payroll #	Name	Position	Annual Gross Salary(L\$)	Date of employment	Comment
15	07-12-071-0380	Morris Sackie	General Town Chief	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
16	07-28-511-0012	Murray Kollie	Vai Governor	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
17	07-12-972-0030	Paul Akoi	Security	120,000.00	2014	There was no evidence that this employee reported to work for the period under audit.
18	07-12-968-0002	Samuel Morris	Commissioner	139,200.00	2010	There was no evidence that this employee reported to work for the period under audit.
19	07-12-072-0005	Samuel Wayongar	Politician liaison Officer	158,400.00	2014	There was no evidence that this employee reported to work for the period under audit.
20	07-12-511-0006	Stanley Teah	Messenger	120,000.00	1997	There was no evidence that this employee reported to work for the period under audit.
	Total			2,520,000.00		

Appendix 1A: Employees who are dead but are still on Montserrat County Payroll

No.	Payroll #	Name	Position	Date of employment	Date of Death	Duration On Payroll After Death	Annual Gross Salary(L\$) paid to Ghost
1	07-12-071-0387	Benyan Dolly	Governor	1997	2015	NIL	120,000.00
2	07-12-071-0387	Blama Gaye	Governor	1997	2015	NIL	120,000.00
3	07-12-108-0032	Madison Porpeh	Town Clerk	2006	Feb. 21, 2015	15 months	156,000.00
4	07-12-514-0036	Nagbe Sonpon	Accountant	1987	Sept. 27, 2015	9 months	122,400.00
5	07-95-111-0025	Sampson Kortu	District Inspector	1996	Jan. 15, 2015	17 months	170,000.00
6	07-12-071-0366	Sunday G.Paye	Clan Chief	1997	Jan. 8, 2016	17 months	176,000.00
	Total						864,400.00



Appendix 1B: Montserrat County Employees who have appointment letters but not on the MIA payroll

No.	Name	Position	Assigned Area	Date of Letter	Comment
1	Madam Mary Jarbah	Sarpo Vice Governor	Clara Town Community	December 29,2011	Appointed to replace Charles Mongar
2	Mr. Momo J. Bear	Gola Governor	N/A	February 4, 2016	Appointed to replace Murray Kollie
3	Mrs. Baryo L. David	Bassa Governor	N/A	February 4, 2016	Appointed to replace Manideh Koeh
4	Mr. M. Emil Taylor	Messenger	Johnsonville Township	May 22, 2014	Appointed to replace Harris Dennis
5	Mr. John Willie	City Inspector	Clay Ashland City Corporation	June 9, 2016	NIL
6	Miss Mary David	Cleaner	City Mayor Office	January 28, 2016	Appointed to replace Ms. Matida Agnes
7	Mr. Anthony Dunn	Clerk	Clay Ashland City Mayor Office	January 28, 2016	Appointed to replace Mr. James Smith.
8	Mr. Patrick Ross	Messenger	Clay Ashland City Corporation	June 9, 2016	NIL

