



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On the Compliance Audit of the Ministry
of National Defense (MOD)**

**For the Period July 1, 2017 to
December 31, 2021**



July 2024

**P. Garswa Jackson, Sr. FCCA, CFIP, CFC
Auditor General, R.L.**

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ACRONYMS USED

Acronyms	Meaning
FCCA	Fellow Member of Chartered Certified Accountants
AG	Auditor General
CFC	Chartered Financial Consultant
CFIP	Certified Forensic Investigation Professional
COBIT	Control Objective & Related Information Technology
COSO	Committee on Sponsoring Organizations of the Tread way Commission
DMA	Deputy Minister for Administration
DMO	Deputy Minister for Operation
FAR	Fixed Asset Registry
GAC	General Auditing Commission
GL	General Ledger
GOL	Government of Liberia
IFMIS	Integrated Financial Management
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
IPSAS	International Public Sector Accounting Standards
MFDP	Ministry of Finance & Development Planning
MoD	Ministry of National Defense
PFM Act	Public Finance Management Act
PPCC	Public Procurement & Concessions Commission

July 8, 2024

Hon. Geraldine J. George
Minister
Ministry of National Defense (MoD)
Lynch Street & U.N. Drive
Monrovia, Liberia

Dear Hon. George:

Compliance Audit Report on the Ministry of National Defense (MoD) for the Period July 1, 2017 to December 31, 2021

The General Auditing Commission has conducted a compliance audit of the Ministry of National Defense (MoD). The compliance audit has been conducted in compliance with relevant laws and regulations 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 in accordance with the Public Financial Management (PFM) Act and Regulations of 2009 as Amended and Restated 2019.

Adverse Conclusion

Based on the audit work performed, we found that, because of the significance of the matters noted in the Basis for Adverse Conclusion Paragraphs below, the financial transactions and operations of the Ministry of National Defense (MoD) are not in compliance with stated laws and regulations for the fiscal years ended July 1, 2017 to June 30, 2019.

Basis for Adverse Conclusion

We identified multiple issues of significant materiality that affected the operations of the Ministry of National Defense (MoD). These issues can be categorized as follows:

Management did not prepare and present approved financial statements for fiscal years 2017/2018 and 2018/2019 in accordance with the Public Financial Management Act of 2009 as Amended and Restated in 2019 and the IPSAS Cash Basis of Accounting (November 2017).

Management made payments for various transactions amounting to US\$2,554,753.12 without adequate supporting documentation such as; payment vouchers, field activities reports for Special Operation Services and Intelligence Services, copy of checks, cash invoices, delivery notes and other relevant documents to authenticate the transactions contrary to Regulation P.9 (2) of the Public Finance Management Act of 2009 as Amended and Restated in 2019. Section 9.7 of the National Defense Act of 1956 as Amended and Restated 2008 and Regulation D.14 of the PFM Act of 2009 as Amended and Restated 2019.

Management expended an excess of US\$400,852.70 for FY 2019/2020 and US\$41,819.46 for FY 2020/2021 respectively without evidence of an approved supplementary budget.

A variance of US\$1,495,167.37 was noted between the financial statements and total revenue reported in the expenditure/financial reports for FY 2019/2020.

Management did not prepare bank reconciliations for its bank accounts maintained for the fiscal years 2017/2018 and 2018/2019.

Management did not provide detailed ledgers for expenditures amounting to US\$1,619,720.41 for FYs 2017/2018 and US\$1,681,930.00 for FY 2018/2019 as stated in the Fiscal Outturn Reports.

Management operated the Ministry without evidence of Quarterly Budget Performance Reports for FYs 2017/2018 to 2020/2021.

The daily cash receipts from 14th Military Hospital did not reconcile with deposits reported in the bank statements from FY 2020/2021 (September 1, 2021 to December 31, 2021).

There was no evidence that Management develop, approve and operationalize necessary policies and procedural documents to regulate the operations of the entity.

- Approved Strategic and Operational Plans
- Fixed Asset Management Policy
- ICT Security Policy
- Policy on Scholarship
- Risk Management Policy
- Retirement and Death Benefit Policy

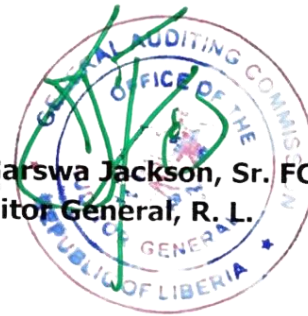
The procurement activities at MoD were associated with various irregularities such as non-compliance with procurement methods and non-submission of periodic (quarterly and annual) procurement activities reports to PPCC.

There were irregularities in the management of the entity's fixed assets such as lack of comprehensive fixed assets management policy, the fixed assets register did not contain all the relevant columns, maintaining damaged assets on the FAR, no periodic physical verification of assets by Management, not regularly updating the FAR and no asset movement form to keep track of assets assigned or transferred to various offices within the entity, no history of disposal of assets and Fixed assets within a given vicinity were not displayed as required by the PFM Act.

Management did not establish a functional Monitoring and Evaluation Committee (M&E), evidenced by the documentation of attendance records, meeting minutes, and periodic activities reports.

Several projects in the various barracks were uncompleted and abandoned. Additionally, there was no evidence of adequate quality control and monitoring of projects.

**P. Garswa Jackson, Sr. FCCA, CFIP, CFC
Auditor General, R. L.**



Monrovia, Liberia
July 2024

INTRODUCTION

The audit of the Ministry of National Defense (MoD) was commissioned by the Auditor General for the period July 1, 2017 to December 31, 2021.

Background

Before 1972, what is today known as the Ministry of National Defense was called Department of War. The Ministry of National Defense was created by an Act of the National Legislature on June 9, 1972. The immediate control of the Ministry is vested in the Minister of National Defense, subject to the authority and direction of the President as Commander-in-Chief of the Armed Forces of Liberia. According to the Act, "The Minister of National Defense shall be a civilian and shall be nominated and, with the consent of the Senate, appointed and commissioned by the President.

The mission of the Ministry of National Defense is to ensure the protection of Liberia's national interest and territorial integrity, and to protect the citizens and residents within the borders of Liberia from internal and external aggression and in extremist, to respond to natural disaster.

The Minister of National Defense is the principal administrator of the Ministry. He is assisted by two deputy ministers, administration and operations, respectively. The Chief of Staff is the one who is responsible for all units of the Armed Forces of Liberia. There are three assistant ministers within the Ministry of National Defense. They are Assistant Ministers for Public Affairs, Coast Guard Affairs and Civil Works. The AFL Participate in peace enforcement and other by the UN, the AU, ECOWAS, MRU/or all international institutions of which Liberia may be a member. The AFL also provide command, communications, logistical, medical, transportation and humanitarian support to the civil authority in the event of a natural or man-made disaster outbreak of disease or epidemic.

Key Personnel

The following key personnel managed the affairs of MoD during the fiscal years under audit.

No:	Name	Position	Period
1.	Hon. Daniel Ziankahn	Minister	2018- 2021
2.	Hon Tibli Olandrus Dickson Sr.	Deputy Minister for Administration	2018 - 2021
3.	Hon. Earnest Varfee ^{***} (Deceased)	Deputy Minister for Operations	2018- 2019
4.	Hon. Meime Pearson ^{***}	Assistant Minister for Administration	2018 -2022
5.	Hon. Anthony Kai Jelly Sr.	Assistant Minister for Civil Works	2018-2023
6.	T. Edward Andrews	Comptroller	2018- 2020
7.	Stephanie Taylor	Chief of Finance	2018 - 2020
8.	Dinnamae Gulley-Sirleaf	Comptroller	2020-Present

Subject Matter Information

Validation of the MoD Operations with special emphasis on: (a) Income from GoL and donors; (b) Expenditure for goods, works and services, and personal compensation; (c) Internal Control Systems (Governance and operational structures) of the entity for the periods July 1, 2017 to December 31, 2021.

Audit Criteria

The following criteria were used:

- Section 9.7 of the National Defense Act of 1956 as Amended and Restated 2008,
- Regulation D.14 of the PFM Act of 2009 as Amended and Restated 2019
- Regulation P.9 (2) of the PFM Act of 2009 as Amended and Restated 2019
- Regulation Part I.11 (1) of the PFM Act of 2009 as Amended and Restated 2019
- Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as Amended and Restated in 2019
- Regulation E.13 (1 and 2) of the PFM Act of 2009 as Amended and Restated in 2019
- Regulation B.9 (1)(d) of the PFM Act of 2009 as Amended and Restated 2019
- Regulation A.3 (1) of the PFM Act of 2009 as Amended and Restated 2019
- Regulations A.1 of the PFM Act of 2009 as Amended and Restated 2019
- Regulation B.9 (1)(d) of the PFM Acts of 2009 as Amended and Restated 2019
- Section 17.1.34 of Cash Basis International Public Sector Accounting Standard (IPSAS)
- Regulation R.3 (6) of the PFM Act of 2009 as Amended and Restated 2019
- Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as Amended and Restated in 2010
- Section 32(1,2 &3) of the Amended and Restated Public Procurement & Concession Commission Act of 2005 & 2010
- Section 200 of the Revenue Code of Liberia 2000 as Amended in 2011
- Section 905 (J) and (M) of the Revenue Code of Liberia Act of 2000
- Section 89.16(a) of the NASSCORP New Act and published February 13,2017
- Regulations V.4 (2) of the PFM Act of 2009 as Amended and Restated in 2019
- Regulation K.10 of the PFM Act of 2009 as Amended and Restated 2019
- Regulation K.11(1), (a) of the PFM Act of 2009 as Amended and Restated 2019
- Chapter 5 Section 5.1.1 of the CSA Standing Order of 2012
- Chapter 8, Section 1, reports 8.1.1 of the Civil Servants Standing Order of 2021
- The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities
- Regulation U.7 (2) of the PFM Act of 2009 as Amended and Restated 2019
- Section 29 (5 j to K) of the PPC Act of 2005 as Amended and Restated in 2010
- Section 13.1 (C) of the Decent Work Act of 2015
- National Budget for the fiscal periods 2017/2018, 2018/2019, 2019/2020 and 2020/2021

Audit Methodology

The audit was conducted in accordance with ISSAI 4000 and INTOSAI's International Standards for Compliance Audit. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether MoD complied with laws and regulations.

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.

Our audit approach included observation, inquiries, inspections, confirmation, and analytical procedures on areas we considered as high risk.

Limitation of Responsibility

We reviewed the systems and management controls operated by the MoD Management 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 Expenditure without evidence of adequate supporting documents

Criteria

- 1.1.1.1 Section 9.7 of the National Defense Act of 1956 as Amended and Restated 2008, states that "consistent with Article 34b & c of the Constitution, the Legislature of Liberia shall exercise its oversight responsibilities by requiring report from the AFL through the Ministry of National Defense on accountability and may ask questions on area of defense concerns. This Legislative oversight shall be transparent and may be available to the public but remain cognizant of the National Security interest of the country."
- 1.1.1.2 Regulation D.14 of the PFM Act of 2009 as Amended and Restated 2019 states that, "Where in the National Budget or supplementary appropriations, budgetary classifications are made for expenditures of a confidential nature; the details of such classification shall be presented and agreed with the leadership of the Legislature. (2) After agreeing with Leadership of the Legislature, then the summary, subtotal or total shall be shown in the National Budget or added to another figure in the National Budget or the Supplementary Budget."
- 1.1.1.3 Regulation P.9 (2) of the PFM Act of 2009 as Amended and Restated 2019 states that "Payments except for statutory transfers and debt services shall be supported by invoices, bills and other documents in addition to the payment vouchers."

Observation

- 1.1.1.4 During the audit, we observed no evidence of adequate supporting documents such as; payment vouchers, invoices, delivery notes, etc. for Fuel and Lubricants Expenditures amounting to US\$490,911.11.
- 1.1.1.5 Further, we observed that Special Operation Services and Intelligence Services Expenditures amounting to US\$3,243,859.03 was expended without evidence of field activities reports as required. **See table 1 below and Appendices 1a to 1e for details.**

Table 1: Expenditure without evidence of adequate supporting documents

Description	Account Code	FY 2017-2018 Amount in US\$ (A)	FY 2018-2019 Amount in US\$ (B)	FY 2019-2020 Amount in US\$ (C)	FY 2020-2021 Amount in US\$ (D)	Total Amount E= (A+B+C+D) US\$
Special Operations & Services	221812	1,354,773.64	1,135,093.22	200,418.46	424,789.91	3,115,075.23
Intelligence Services	221808	68,869.00	0.00	0.00	59,914.80	128,783.80
Sub. Total		1,423,642.64	1,135,093.22	200,418.46	484,704.71	3,243,859.03
Fuel and	221401	108,685.96	37,362.10	0.00	0.00	146,048.06

Description	Account Code	FY 2017-2018 Amount in US\$ (A)	FY 2018-2019 Amount in US\$ (B)	FY 2019-2020 Amount in US\$ (C)	FY 2020-2021 Amount in US\$ (D)	Total Amount E= (A+B+C+D) US\$
Lubricants Vehicles						
Fuel and Lubricants Generators	221402	87,391.81	257,471.24	0.00	0.00	344,863.05
Sub. Total		196,077.77	294,833.34	0.00	0.00	490,911.11
Grand Total		1,619,720.41	1,429,926.56	200,418.46	484,704.71	3,734,770.14

Risk

- 1.1.1.6 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.1.1.7 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.1.1.8 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.1.9 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

- 1.1.1.10 Management should fully account for expenditure made without adequate supporting documents.
- 1.1.1.11 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records including field activities reports for Intelligence and Special Operations should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.12 *Management notes your observations regarding Special Operations and Intelligence Services. However, Management wishes to clarify that details around Special Operations and Intelligence services are classified due to National Security requirements. The need to protect Sources, Methods, and Tradecraft is critical for the effective execution of our constitutional mandate. Notwithstanding the foregoing, Management did make available documents (Copies of processed vouchers to MFDP) to the GAC to ensure cooperation to the extent possible, without compromising State security and the lives of our agents or mission.*

Auditor General's Position

- 1.1.1.13 We reviewed the documents subsequently provided by Management for Fuel and Lubricant Expenditures after our audit execution and have adjusted the transactions to be accounted for by Management to: US\$2,554,753.12 (US\$3,734,770.14 - US\$1,180,017.02). Management did not provide supporting documents including field activities reports for Intelligence and Special Operations as requested.
- 1.1.1.14 The PFM Act of 2009 as Amended and Restated 2019 and its enabling regulations requires that all expenditure incurred are adequately supported by invoices, delivery notes and traceable to an inventory system and other documents. Going forward, Management should ensure that all payments are adequately supported and Management should also liaise with the MFDP to ensure that it obtains copies of all expenditures made on behalf of the MoD by the MFDP.
- 1.1.1.15 Section 5.2 A of the GAC Act of 2014 states that "the Auditor General and staff of the General Auditing Commission, shall have the right to full and unrestricted access to information from entities being audited within a reasonable period of time that is required to fulfill the responsibilities under this Act. Staff of the audited entities shall provide the required information and explanations to the staff of the General Auditing Commission.
- 1.1.1.16 Additionally, Section 6.5 - Conflict with other legislations states "notwithstanding any law to the contrary the provisions of this law shall prevail.
- 1.1.1.17 Also, section 4.2 D Audit reports to the National Legislature shall not include information that in the opinion of the General Auditing Commission could prejudice the international relations, National interest or security of the Republic.
- 1.1.1.18 Therefore, Management should submit all supporting documents relative to the transactions above to the Office of the Auditor General for validation within thirty (30) days after the issuance of this report to the National Legislature.
- 1.1.1.19 Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.2 Non-Submission of Financial Statements and Accounts

Criteria

- 1.1.2.1 Regulation Part I.11 (1) of the PFM Act of 2009 as amended and restated 2019 states that: "There shall be prepared by the head of government agency and transmitted to the minister and the Comptroller-general in respect of the year, account covering all Public Funds under his control. The accounts shall be submitted within the period of two months after the end of each fiscal, or period as the Legislature may by resolution appoint, and shall include statements and document to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia."

Observation

- 1.1.2.2 During the audit, we observed that Management did not prepared and submit expenditure/financial reports for fiscal periods FY 2017/2018 and FY 2018/2019 in line with the Government of Liberia reporting framework, International Public Sectors Accounting Standards (IPSAS Cash Basis of 2017).

Risk

- 1.1.2.3 Management may be non-compliant with Regulation Part I.11 (1) of the PFM Act of 2009 as amended and restated 2019.
- 1.1.2.4 Management failure to prepare and present approved financial statements and expenditure reports may deny the users relevant information important for decision making. Management may not fully account for activities of the entity.

Recommendation

- 1.1.2.5 Management should provide substantive justification for not preparing IPSAS Cash Basis financial statements and expenditure reports for FY 2017/2018 and FY 2018/2019.
- 1.1.2.6 Going forward, Management should prepare and present IPSAS Cash Basis financial statements and expenditure reports in line with the GoL reporting framework.
- 1.1.2.7 Management should ensure that approved financial statements and expenditure reports are presented to the Offices of the Auditor General and Comptroller & Accountant General two months after the end of the fiscal period in line with the PFM Act.
- 1.1.2.8 Evidence of approved financial statements and expenditure reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.2.9 *Management noted the deficiencies and acted by recruiting professionals to the Office of the Comptroller to improve quality, efficiency, and compliance. Please see that accurate financial statements were prepared for the 2019/2020 and 2020/2021 fiscal years.*

Auditor General's Position

- 1.1.2.10 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.3 Spending in Excess of Approved Budgeted Amount -GoL

Criteria

- 1.1.3.1 Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as amended and restated in 2019 states: "(1) A head of government agency shall prioritize the Government agency's activities

and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister.”

- 1.1.3.2 Regulation E.13 (1 and 2) of the PFM Act of 2009 as amended and restated in 2019 states: “(1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority. (2) The accompanying memorandum shall explain how the extra costs became necessary.”

Observation

- 1.1.3.3 During the audit, we observed that the actual expenditure for the Ministry of National Defense as recorded in the MFDP Fiscal Outturn Report FY 2019/2020 was US\$11,389,806.00 whereas, in the MoD Financial Reports, the Management Reported the total amount of US\$11,790,658.70 this resulted in a variance of US\$400,852.70. **See table 2 below for details.**

Table 2: Spending in Excess of Approved Amount Budgeted FY 2019/2020.

Account Title/ Description	Actual Amount Expenditure Report (MoD) US\$ (A)	Fiscal Outturn (MFDP) US\$ (B)	Variance US\$ (A-B)	C=
Compensation of Employees	10,714,853.31	10,477,501.00	237,352.31	
Goods and Services	964,416.60	902,305.00	62,111.60	
Social Benefits (Other Payments)	111,388.79	10,000.00	101,388.79	
Total	11,790,658.70	11,389,806.00	400,852.70	

- 1.1.3.4 Further, the actual expenditure for MoD as recorded in the MFDP Fiscal Outturn Reports FY 2020/2021 was US\$20,863,085.00 whereas, in the MoD Expenditure Reports, Management reported the total amount of US\$20,904,904.46 thus resulting in a variance of US\$41,819.46. **See table 2a and 2b for details.**

Table 2a: Spending in Excess of Approved Budgeted Amount FY July 1, 2020 to June 30, 2021

Account Title/ Description	Actual Amount Expenditure Report (MoD) US\$ (A)	Fiscal Outturn (MFDP) US\$ (B)	Variance US\$ (A-B)	C=
Compensation of Employees	10,849,612.32	10,884,023.00	-34,410.68	
Goods and Services	2,075,971.00	2,141,883.00	-65,912.00	
Social Benefits	0.00	50,400.00	-50,400.00	
Total	12,925,583.32	13,076,306.00	-150,722.68	

Table 2b: Spending in Excess of Approved Amount Budgeted (SBY July to December 31, 2021)

Account Title/ Description	Actual Amount Expenditure Report (MoD) US\$ (A)	Fiscal Outturn (MFDP) US\$ (B)	Variance US\$ (A-B)	C=
Compensation of Employees	5,348,767.07	5,286,066.00	62,701.07	
Goods and Services	1,951,430.25	1,500,713.00	450,717.25	
Capital Expenditures	679,123.82	1,000,000.00	-320,876.18	
Sub. Total	7,979,321.14	7,786,779.00	192,542.14	
Grand Totals for Table 2a and 2b	20,904,904.46	20,863,085.00	41,819.46	

Risk

- 1.1.3.5 The completeness and accuracy of expenditures may not be assured. Also, expenditures may be understated.

Recommendation

- 1.1.3.6 Management should fully account for the variances between the expenditure reports and the fiscal outturn reports.
- 1.1.3.7 Going forward, Management should conduct periodic reconciliation between the fiscal outturn report and the expenditure report. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation should be adequately documented and file to facilitate future review.

Management's Response

- 1.1.3.8 *Management recorded what was actually paid by MFDP, evidenced by approved summary payrolls, goods and services payments and capital expenditures for the period. For instance, under capital expenditures, MOD received an allotment of 1,000,000USD as captured in MFDP outturn report, sadly, payments received totaled only 679,123.82USD. There were instances where vouchers were processed but checks were unpaid during the fiscal period.*

Auditor General's Position

- 1.1.3.9 We acknowledge Management's assertions. However, Management did not account for the variances between the approved budget and fiscal outturn reports. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.
- 1.1.3.10 Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.4 Irregularities Associated with Revenue Reported

Criteria

- 1.1.4.1 Regulation B.9 (1)(d) of the PFM Act of 2009 as amended and restated 2019 states that: "The head of government agency shall fully disclose all non-tax revenues collected, lodged

or retained as part of the monthly revenue collection and quarterly Government agency account or financial report to the Minister and the Auditor General. The reporting format shall include, but not limited to: (d) non-Tax Revenue including Internally Generated Funds due but not collected.”

Observation

1.1.4.2 During the audit, we observed the following irregularities associated with revenue reported for FY 2019/2020:

- Management reported total revenue of US\$11,679,401.37 on the face of the financial statements instead of US\$13,174,568.74 total revenue reported in the expenditure reports for the period under audit.
- Management provided no evidence of revenue collected from the Gray D. Allison High School. **See table 3 below for details.**

Table 3: Internally Generated Revenue FY 2019/2020

Description	Amount in US\$
Allotment received from MFDP (GoL)	11,679,401.37
Other Receipts (Projects)	1,495,167.37
Gray D. Allison High School	0.00
Total	13,174,568.74

Risk

1.1.4.3 The completeness and accuracy of revenue may not be assured; therefore, revenue and subsequently the financial statements may be misstated.

1.1.4.4 Management may not fully account for its revenue.

1.1.4.5 Non-disclosure of some sources of revenue may facilitate fraudulent financial reporting and mislead users of the financial statements.

Recommendation

1.1.4.6 Management should provide substantive justification for not disclosing revenue from other receipts and Gray D. Allison High School on the face of the financial statements.

1.1.4.7 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.

1.1.4.8 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

- 1.1.4.9 Management should fully disclose all revenue including; grants, contributions and donations in the financial statements.

Management's Response

- 1.1.4.10 *The statement 'Management reported total revenue of US\$11,679,401.37 on the face of the financial statements instead of US\$13,174,568.74' is inaccurate. Management reported under Capital development funds (Donor financed projects), 1,495,167.37USD on the financial statement. Please see evidenced a copy of the financial statement, statements of receipts and payments, and note 6 (pages 10 and 18 respectively) of the financial statement for FY 2019/2020.*

Auditor General's Position

- 1.1.4.11 We acknowledge Management's assertions and subsequently confirmed the US\$1,495,167.37 reported in the notes to the financial statements as other receipts (projects). However, The US\$1,495,167.37 was not disclosed on the face of the financial statements as required. Therefore, Management should adjust the financial statements to disclose on the face of the financial statements US\$1,495,167.37 as other receipt (projects). Evidence of the adjusted financial statements should be submitted to the Office of the Auditor General for validation within thirty (30) days after the issuance of this report to the National Legislature.

1.1.5 No Supporting Detailed General Ledgers

Criteria

- 1.1.5.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that: "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by the Minister."

Observation

- 1.1.5.2 During the audit, we observed no evidence of detailed ledgers for expenditure amounting to US\$1,619,720.41 for FY 2017/2018 and US\$1,681,930.00 for FY 2018/2019 as stated in the Fiscal Outturn Reports.

Risk

- 1.1.5.3 The completeness and accuracy of revenue and expenditures may not be assured.
1.1.5.4 Management may not fully account for the activities of the entity.

Recommendation

- 1.1.5.5 Management should ensure that detailed general ledgers are prepared to support figures mentioned in the expenditure reports.

- 1.1.5.6 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.
- 1.1.5.7 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.1.5.8 *Management noted the deficiencies and acted by recruiting professionals to the Office of the Comptroller to improve quality, efficiency, and compliance. Please note that detailed general ledgers were prepared for the 2019/2020 and 2020/2021 fiscal years.*

Auditor General's Position

- 1.1.5.9 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.6 No Evidence of Quarterly Budget Performance Reports

Criteria

- 1.1.6.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that: "The public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts."

Observation

- 1.1.6.2 During the audit, we observed that Management operated the Ministry with the amount of US\$1,681,930.48 for FY 2017/2018 and US\$1,619,720.00 for FY 2018/2019 without evidence of Quarterly Budget Performance Reports.

Risk

- 1.1.6.3 In the absence of Quarterly Budget Performance Report, revenue and expenditure may not be reliably measured. This may lead to under receipt of budgeted revenue and / or over expenditure.

Recommendation

- 1.1.6.4 Management should facilitate timely preparation of Quarterly and Annual Budget Performance Reports in line with the PFM Act of 2009.

- 1.1.6.5 Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.6.6 Management noted the deficiencies and acted by recruiting professionals to the Office of the Comptroller to improve quality, efficiency, and compliance. Please note quarterly budget performance reports were prepared and submitted for 2019/2020 and 2020/2021 fiscal years.

Auditor General's Position

- 1.1.6.7 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.7 Variances between the Cash Receipts and Bank Deposits at the 14th Military Hospital

Criteria

- 1.1.7.1 Regulation B.9 (1)(d) of the PFM Acts of 2009 as amended and restated 2019 states that: "The head of government agency shall fully disclose all non-tax revenues collected, lodged or retained as part of the monthly revenue collection and quarterly Government agency account or financial report to the Minister and the Auditor General. The reporting format shall include, but not limited to: (d) non-Tax Revenue including Internally Generated Funds due but not collected."

Observation

- 1.1.7.2 During the audit, we observed that the daily cash receipts from 14th Military Hospital did not reconcile with figures reported in the bank statements as deposits from FY 2020/2021 (September 1, 2021 to December 31, 2021). **See table 4 below for details.**
- 1.1.7.3 Further, we observed no evidence of an automated billing system and approved fees for services were not visibly displayed.

Table 4: Cash Receipts and Bank Deposits

Month	Cash Receipts US\$ (A)	Cash Receipts L\$ (B)	Bank Deposits US\$ (C)	Bank Deposits L\$ (D)	Variances US\$	Variances L\$ F=(B-D)
					E=(A-C)	
Sept 1-30, 2021	2,005.00	709,447.00	0	124,043.00	2,005.00	585,404.00
October 1-31 2021	4,610.00	1,170,295.00	6,265.00	285,070.00	-1,655.00	885,225.00
November 1- 3- 2021	5,925.00	1,176,637.00	6,209.00	93,875.00	-284.00	1,082,762.00

Month	Cash Receipts US\$ (A)	Cash Receipts L\$ (B)	Bank Deposits US\$ (C)	Bank Deposits L\$ (D)	Variances US\$	Variances L\$ F=(B-D)
					E=(A-C)	
December 1-31-2021	5,906.48	167,270.00	7,479.93	130,370.00	-1,573.45	36,900.00
Total	18,446.48	3,223,649.00	19,953.93	633,358.00	-1,507.45	2,590,291.00

Risk

- 1.1.7.4 The completeness and accuracy of cash receipts may not be assured. Management may not account for all its cash receipts.
- 1.1.7.5 Failure to ensure that cash receipts are subsequently deposited in the entity bank accounts may lead to misappropriation of the entity funds.
- 1.1.7.6 Non-display of approved fees for services may lead to over/under billing of client and misstatement of revenue in financial statement.

Recommendation

- 1.1.7.7 Management should account for the variance between cash receipts and cash subsequently deposited in the entity's bank accounts.
- 1.1.7.8 Management should procure and operationalize an automated billing system. The billing system should be interfaced with the accounting software (financial reporting systems).
- 1.1.7.9 Fees must be clearly displayed at locations where customers can validate bills generated by the system.
- 1.1.7.10 Management should establish a banking facility hosting a commercial bank to collect and deposit all fees directly into the entity's account.
- 1.1.7.11 Periodic (at least monthly) reconciliation should be performed between bills, deposit slips and bank statements. Variances identified, should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation including bills (invoices), bank statements, receipts etc. should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.7.12 *Management acknowledges and will ensure recommended measures are put in place to improve systems and controls. Management would also like to note the discrepancy in cash receipts and deposits led to the fact that some of the funds collected were used to run the day to day operations of the hospital.*
- 1.1.7.13 *However, management accepts that there were discrepancies between the cash receipts and cash deposited as during the period under review. For best practices, the hospital administration will work to ensure implementation of recommendations.*

Auditor General's Position

- 1.1.7.14 We acknowledge Management's assertions. However, Management did not account for the variances between the daily cash receipts and bank statement deposits. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.
- 1.1.7.15 Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.8 Undisclosed Receivables

Criteria

- 1.1.8.1 Section 17.1.34 of Cash Basis International Public Sector Accounting Standard (IPSAS) as adopted by the Government of Liberia states, "An entity is encouraged to disclose in the notes to the financial statements: 1a) Information about the assets and liabilities of the entity; and 1b) If the entity does not make publicly available its approved budget, and comparison with national budgets."

Observation

- 1.1.8.2 During the audit, we observed that Management did not disclose in the notes to the financial statements total receivables amounting to L\$6,716,965.00 for FY 2020/2021. Further, Management did not provide evidence of supporting documents to validate the transactions.

Risk

- 1.1.8.3 Lack of full disclosure of receivables in the notes to the financial statements may impair the fair presentation and deprive users of the financial reports the necessary information for decision making.
- 1.1.8.4 Lack of adequate documentation for receivables may lead to misstatement and non-collection of account receivables.

Recommendation

- 1.1.8.5 Management should obtain all relevant supporting documents for account receivables amounting to L\$6,716,965.00, analyze the completeness, occurrence and accuracy of the receivables and submit same to the Office of the Auditor General, as part of response to the management letter.
- 1.1.8.6 Subsequently, Management should adjust the financial statements and disclose total account receivables in the notes to the financial statements.
- 1.1.8.7 Going forward, Management should establish subsidiary and general ledgers and ageing analysis schedule for account receivables to enhance financial reporting.
- 1.1.8.8 All relevant account receivables supporting documents including; bills, contracts, invoices,

credit advice, bank statements, receivables ageing analysis schedule, etc. should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.8.9 *Management acknowledges not capturing revenue collected from Gray D. Allison in the financial statement of FY 2020/2021. However, bank reconciliations and General ledgers for Gray D. Allison for the period mentioned clearly captured/reported income received over the period. These were also provided to the Audit team during the period of the audit.*

Auditor General's Position

- 1.1.8.10 We acknowledge Management's assertions. However, Management did not disclose in the notes to the financial statements total receivables amounting to L\$6,716,965.00 for FY 2020/2021. Further, Management did not provide evidence of supporting documents to validate the transactions. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.
- 1.1.8.11 Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.9 Non-Preparation of Bank Reconciliation

Criteria

- 1.1.9.1 Regulation R.3 (6) of the PFM Act of 2009 as amended and restated 2019 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 reference to the date and number thereof".

Observation

- 1.1.9.2 During the audit, we observed no evidence of bank reconciliation statements for the following months during FY 2017/2018 and FY 2018/2019 listed below. **See Table 5 below for details.**

Table 5: Bank Reconciliation

Bank Name	Type of Account	Bank Account Number	Month
Central Bank of Liberia	Peace Building Fund USD	0220630004211	1 July 2017 to 30 June 2019
Central Bank of Liberia	AFL Peace Support Account USD	1502024039	1 July 2017 to 30 June 2019
Central Bank of Liberia	GOL/Ministry of National Defense Operations LRD	0120630004200	1 July 2017 to 30 June 2019
Central Bank of Liberia	GOL/Ministry of National Defense Operations USD	0120630004200	1 July 2017 to 30 June 2019

Bank Name	Type of Account	Bank Account Number	Month
Ecobank	AFL Welfare & Morale Account USD	00113174717655601	1 July 2017 to 30 June 2019
Ecobank	Gray D. Allison High School LRD	6101447721	1 July 2017 to 30 June 2019
Central Bank of Liberia	14 th Military Hospital USD	1602005444	1 July 2017 to 30 June 2019
Central Bank of Liberia	14 th Military Hospital USD	1601004275	1 July 2017 to 30 June 2019
Ecobank	Gray D. Allison High school LRD	6102438601	1 July 2017 to 30 June 2019

Risk

- 1.1.9.3 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud. Management may not fully account for all of its transactions.

Recommendation

- 1.1.9.4 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated account established by the entity.
- 1.1.9.5 Evidence of monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.9.6 *Management takes note. Corrective measures were taken subsequently to ensure accountability and compliance. Please note detailed general ledgers and bank reconciliations were prepared for 2019/2020 and 2020/2021 fiscal years. Also, kindly note, 14 Military Hospital began operations only in August 2021. Therefore, the accounts were non-existent prior to August 2021.*

Auditor General's Position

- 1.1.9.7 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as Amended and Restated 2019.

1.1.10 Irregularities Associated with Procurement Management

Criteria

- 1.1.10.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation

of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule”.

- 1.1.10.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) “In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission.”

Observation

- 1.1.10.3 During the audit, we observe the following irregularities associated with the procurement system:
- There was no evidence of periodic (quarterly and annual) procurement activities report submitted to PPCC.
 - No evidence of application of the requisite methods (Request for quotation, national competitive bidding, sole sourcing, restricted bidding, international competitive bidding, etc.) where applicable. **Reference Appendix 1 for details.**

Risk

- 1.1.10.4 In the absence of Quarterly and Annual Procurement Activities Reports, Management may be in noncompliance with the PPC Act of 2005 as amended and restated in 2010.
- 1.1.10.5 Management may not adequately account for its procurement activities and may impair effective monitoring of its procurement activities by the PPCC.
- 1.1.10.6 The non-application of the requisite procurement method may impair the achievement of value for money and facilitate fraudulent procurement activities.

Recommendation

- 1.1.10.7 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated in 2010.

1.1.10.8 Management should facilitate the preparation and submission of Quarterly and Annual Procurement Activities Reports to the PPCC as required by the PPC Act of 2005 as amended and restated in 2010. Evidence of Quarterly and Annual Procurement Activities Reports should be adequately documented and filed to facilitate future review.

Management's Response

1.1.10.9 *Management takes note and will ensure compliance in subsequent years. Evidenced by improvements in PPCC bidding requirement processes for fiscal years 2020, 2021, 2022, 2023 and current.*

Auditor General's Position

1.1.10.10 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. However, Management is in breach of Section 30 (1 and 2) and Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010.

1.1.11 Non-remittance of Social Security Contributions

Criteria

1.1.11.1 Section 89.16(a) of the NASSCORP New Act and published February 13, 2017 states that "The contribution payable under this Act in respect of an employee shall comprise contribution payable by the employer (hereinafter referred to as the employer's contribution) and contribution payable by the employee (hereinafter referred to as the employee's contribution) and shall be paid to the Corporation. Contribution rate shall be total 10% of the total gross remuneration of each employee; 2% under the Employment Injury Scheme payable by the employer; 4% employer contribution and 4% employee contribution to be remitted by the employer."

Observation

1.1.11.2 During the audit, we observed no evidence of payment receipts for remittance of employees' and employer's contribution made to NASSCORP for the period under audit.

Risk

1.1.11.3 Management may be non-compliant with NASSCORP General Regulations of 2018 which may result to penalties and fines.

1.1.11.4 Potential retirees of GoL may be denied required pension benefits due to non-compliance with the Regulation.

1.1.11.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

Recommendation

1.1.11.6 A payment plan should be crafted and agreed between MoD Management and NASSCORP

Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan. Management should also ensure that future employers' contributions are adequately provided for in the approved budget on an annual basis.

- 1.1.11.7 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.1.11.8 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.
- 1.1.11.9 Going forward, monthly remittance of NASSCORP contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' NASSCORP accounts respectively.

Management's Response

- 1.1.11.10 *All government payroll statutory-related taxes were withheld (deducted) by MOD during payroll processing. As evidenced of deductions being made, please see samples of printed IFMIS-processed payroll vouchers for 2017/2018.*
- 1.1.11.11 *Management has contacted NASSCORP for evidence of payment by MFDP. Please see the communication attached.*

Auditor General's Position

- 1.1.11.12 We acknowledge Management's assertions. However, Management did not provide evidence of payment receipts for remittance of employees' and employer contribution made to NASSCORP for the period under audit. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.12 Non-Withholding and Remittance of GST Taxes

Criteria

- 1.1.12.1 Section 905 (J) and (M) of the Revenue Code of Liberia Act of 2000 states: "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."

Observation

- 1.1.12.2 During the audit we observed no evidence of goods & services tax (GST) being withheld and remitted into GoL Revenue Account for the purchase of goods and services.

Risk

- 1.1.12.3 Failure to withhold and remit GST may deny GoL of the much-needed tax revenue.
- 1.1.12.4 Management may be noncompliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.1.12.5 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.1.12.6 Management should provide substantive justification for not withholding and remitting GST.
- 1.1.12.7 Going forward, Management should withhold GST on all goods and services procured and facilitate full remittance of GST to the general revenue account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.1.12.8 Evidence of remittance including original copies of flag receipts and other supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.12.9 *All statutory-related taxes were withheld (deducted) by MOD during vendor voucher processing. As evidenced of deductions made, please see samples of printed IFMIS processed payroll vouchers for 2017/2018. Checks should have been remitted by MFDP.*

Auditor General's Position

- 1.1.12.10 We acknowledge Management's assertions. However, Management did not provide evidence of remittances for goods & services tax (GST) being withheld and remitted into GoL Revenue Account. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.13 Irregularities Associated with Fixed Asset Management

Criteria

- 1.1.13.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:
- the date and other details of the voucher or other document on which the items were received or issued;
 - their serial numbers where appropriate; and
 - their distribution to individual locations and the total quantity held."

Observation

- 1.1.13.2 During the audit, we observed that the following irregularities were associated with the entity's Fixed Assets Management System:

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns.
- The fixed assets register was not regularly updated.
- There was no evidence of periodic physical verification of assets by Management
- There was no evidence of movement of assets form.
- There was no history of disposal of assets
- Fixed assets within a given vicinity were not displayed as required by the PFM Act. **See Appendix 2 for details.**

Risk

- 1.1.13.3 Fixed Assets Register may be misstated (Over/understated).
- 1.1.13.4 Assets may be damaged or impaired but their values are still on the books.
- 1.1.13.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.1.13.6 The lack of asset movement log could make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 1.1.13.7 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of entity objectives.
- 1.1.13.8 Assets not coded may be susceptible to theft or diverted to personal use.
- 1.1.13.9 Also, the entity assets may be exchanged or stolen when not coded.

Recommendation

- 1.1.13.10 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the Ministry.
- 1.1.13.11 Management should ensure that the fixed assets register is updated to reflect the following; description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.1.13.12 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.
- 1.1.13.13 The Fixed Assets Register should be updated periodically to reflect all Ministry's assets.
- 1.1.13.14 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.

- 1.1.13.15 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of assets.

Management's Response

- 1.1.13.16 *The updating of the fixed assets registry and other reforms are presently on going by the team of GSA Asset monitors assigned at the Ministry of National Defense. At the end of this verification update, the results will be filed according to the guidelines recommended by the GAC. Additionally, the copy of the Approved Template by the General Services Agency (GSA) that is being used by the Ministry of National Defense (MOD) will be attached to this document for your viewing. This template will give you a clear picture of the following recommendations: Description, class, code, locations, condition, cost, depreciation, expense, accumulated depreciation and net book value of assets.*

Auditor General's Position

- 1.1.13.17 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2 Administrative Issues

1.2.1 Lack of Senior Management Meeting Minutes

Criteria

- 1.2.1.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by the Minister."

Observation

- 1.2.1.2 During the audit, we observed no evidence of Senior Management meeting minutes to facilitate oversight and review of Management functions.

Risk

- 1.2.1.3 Monitoring and evaluation of the mandate and strategic and operational objectives of the entity may be impaired. This may impair the achievement of approved deliverables of the entity.

Recommendation

- 1.2.1.4 Management should facilitate the conduct of periodic Senior Management Meetings. Senior Management meeting minutes should be prepared and subsequently documented and filed to facilitate future review.

- 1.2.1.5 Management should also institute a platform for following up on decisions made at Senior Management Meeting. An update of progress towards previous meetings agreed actions/deliverables should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

Management's Response

- 1.2.1.6 *Management take note and will begin implementing corrective measures immediately.*

Auditor General's Position

- 1.2.1.7 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.2 Lack of Audit Committee

Criteria

- 1.2.2.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that "the head of government agency or government organization shall in consultation with the internal audit governance board establish and maintain an audit committee for the government agency or organization for which he/she is responsible."
- 1.2.2.2 Further, Regulation K.11(1), (a) of the PFM Act of 2009 as amended and restated 2019 states that the Audit Committee of Government Agencies or Organizations shall review internal controls, including the scope of internal audit, internal audit Plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.

Observation

- 1.2.2.3 During the audit, we observed no evidence that Management established an audit committee at the Ministry, to monitor and address audit matters at the institution as required.

Risk

- 1.2.2.4 Audit issues and lapses identified in the Ministry's internal control system may not be appropriately monitored and addressed due to the lack of audit committee.
- 1.2.2.5 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

Recommendation

- 1.2.2.6 Management should liaise with the relevant authority to establish a functional audit committee. Evidenced by documentation of periodic meetings minutes and activities reports.

Management's Response

1.2.2.7 *Management takes note and will implement as required.*

Auditor General's Position

1.2.2.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.3 Inadequate Records in Personnel Files

Criteria

- 1.2.3.1 Chapter 5.8 of the CSA Standing Order of 2012 states that "the below listed documents make up the employee's file and must remain in the file as part of the employee's records:
- a. Employment Letter
 - b. Resume;
 - c. Credentials;
 - d. Personal data;
 - e. Job description;
 - f. All subsequent warnings or commendation; and
 - g. Annual appraisal forms and related evaluation forms."

Observation

- 1.2.3.2 During the audit, we observed that Management did not maintain personnel records such as letter of applications, employment letters, credentials, job description, appointment, terms of reference, personnel action notice (PAN), etc.

Risk

- 1.2.3.3 Failure to maintain essential personnel records may lead to Management inability to manage or regulate the activities of its personnel effectively.
- 1.2.3.4 Management may recruit staffs that do not meet the required qualification and experience to contribute to the overall objectives of the entity. This may impair the achievement of the entity's objectives.

Recommendation

- 1.2.3.5 Management should ensure that all employees' files are updated to contain essential documents such as letter of applications, letter of employment, contracts, credentials, Term of Reference, police clearances, medical certificates, Personnel Action Notice (PAN), etc. to enable Administration regulate the activities of its personnel effectively.
- 1.2.3.6 Management should institute periodic review / inspection of personnel files to validate the completeness of personnel records

- 1.2.3.7 Management should institute the electronic document management system by scanning all documents in employees' files and create electronic files for each employee. This control will facilitate more effective document retention and archiving system, along with manual records.

Management's Response

- 1.2.3.8 *Management takes note and is implementing the recommendations in line with MOD policies.*

Auditor General's Position

- 1.2.3.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.4 Non-Monitoring of Attendance Log

Criteria

- 1.2.4.1 Chapter 5 Section 5.1.1 of the CSA Standing Order of 2012 states that Employees of the Civil Service are normally required to work 5 days per week. Normal working hours are from 8:00 a.m. to 4:00 p. m. subject to the approval of supervisors. A period of one hour is allowed for lunch. No employee is permitted to leave his place of work without the knowledge of his supervisor."

Observation

- 1.2.4.2 During the audit, we observed that the daily attendance logs were not adequately supervised or monitored by staff of the Human Resource Department. Personnel are processed on the payroll without reference to the signed daily attendance log.

- 1.2.4.3 In addition, there was no evidence of approved and updated personnel roster.

Risk

- 1.2.4.4 Failure to monitor and supervise personnel attendance records may result to compensation of non-deserving employees. This practice may cultivate an inappropriate work culture at the entity and may subsequently affect the operation and performance of the entity.
- 1.2.4.5 The absence of an accurate attendance log to monitor staff on a daily basis may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

Recommendation

- 1.2.4.6 Management should ensure that all staff sign the daily attendance records. The daily attendance sheet should include the following columns: name of employee, department, position, signatures and time for in and out periods.

- 1.2.4.7 Management should conduct periodic spot checks to ascertain the authenticity of the attendance records. The attendance records including spot checks records should be adequately documented and filed to facilitate future review.
- 1.2.4.8 Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work.

Management's Response

- 1.2.4.9 *The Administration made an initial effort to digitize the attendance monitoring process without success due to ineffective oversight and technical challenges. However, in the interim while we await permanent solutions, management has resorted to the manual attendance log.*

Auditor General's Position

- 1.2.4.10 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.5 No Employees Performance Appraisal

Criteria

- 1.2.5.1 Chapter 8, Section 1, reports 8.1.1 of the Civil Servants Standing Order of 2021 provides that "all classified Civil Servants shall have their work performance appraised at the end of the calendar year. Performance Appraisal Reports shall be completed by officers who are the immediate supervisors of those being appraised. Reports shall be made on the standard performance appraisal report form and a copy of which shall be forwarded to the Director General within 15 working days of the end of the calendar year".

Observation

- 1.2.5.2 During the audit, we observed no evidence that Management conducted performance evaluation of its employees during the fiscal period as required.

Risk

- 1.2.5.3 The lack of periodic performance appraisal may lead to unnoticed and/or consistent poor performance by employee of the entity, thus impairing the objectives of the entity.
- 1.2.5.4 In the absence of a documented performance evaluation system, employee development plan may not be achieved thereby impairing the achievement of the entity's objectives.
- 1.2.5.5 Employees may be promoted or demoted on a discretionary basis.

Recommendation

- 1.2.5.6 Management should facilitate the conduct of periodic performance evaluations for all staff. Performance goals should be clearly defined and documented for all positions.

- 1.2.5.7 Employees should be familiarized with performance goals and be given the opportunity to periodically evaluate themselves against set goals. Subsequently, performance managers/supervisors should evaluate the performance of assigned employees against set goals and update the employees about the result of the evaluation including areas of targeted development.
- 1.2.5.8 Management should solicit post feedback from employees about the fairness of the performance evaluation system and adjust where applicable.
- 1.2.5.9 Documentation for performance evaluation should be adequately filed to facilitate future review.

Management Response

- 1.2.5.10 *Management takes note and has begun implementation. Please see sample of Appraisal for fiscal year 2023.*

Auditor General's Position

- 1.2.5.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.6 Lack of Approved Policies and Procedures

Criteria

- 1.2.6.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "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.

Observation

- 1.2.6.2 During the audit, we observed no evidence of approved policies and procedures to guide its operations for the following:
- Approved Strategic and Operational Plans
 - Fixed Asset Management Policy
 - ICT Security Policy
 - Policy on Scholarship
 - Risk Management Policy

Risk

- 1.2.6.3 Failure to develop approved policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.

Recommendation

- 1.2.6.4 Management should develop, approve and operationalize policies and procedures for the

various functions identified above, for the effective and efficient operations of the entity.

- 1.2.6.5 Evidence of approved policies and procedures should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.6.6 *Management takes note and will begin implementing corrective measures immediately to ensure the committee is set up. Kindly note, the financial and human resources policies have been approved for implementation.*

Auditor General's Position

- 1.2.6.7 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.7 Inventory Management Discrepancies

Criteria

- 1.2.7.1 Regulation U.7 (2) of the PFM Act of 2009 as Amended and Restated 2019, requires that "Notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of government inventories held within the Government Agency and for the due performance of the duties of subordinate staff in relation to the government inventories."

Observation

- 1.2.7.2 During the audit, we observed the following irregularities associated with the storeroom management system:
- No evidence of inventory and supplies received and distribution log maintained by the store officer to track the movement of inventory and supplies at the Ministry.
 - No evidence of regular or surprise stock count by an independent senior officer during the period for the purpose of check and balances.
 - Lack of secure storeroom for custody of assets procured.

Risk

- 1.2.7.3 Inventories may be misappropriated leading to decline in operational activities.
- 1.2.7.4 Failure to effectively maintain documentation for inventories receipts, storage and distribution may lead to misappropriation of inventory.

Recommendation

- 1.2.7.5 Management should initiate at least an excel based inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

- 1.2.7.6 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.
- 1.2.7.7 All inventory records including records of stock takes, should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.7.8 *We acknowledge all the observations and risks attached to lack of efficient Storeroom Management relative to our Store Room during the time of the audit conducted. Hence, we are working to adhere to the recommended actions. Attached are requisition forms (asset supply/ retriever form, spare parts supply form, stationary supply form). Upon the new set-up of a vibrant and efficient Store Room that we are currently working on, we will present you the chance to view our facility of our newly Set up Store Room.*

Auditor General's Position

- 1.2.7.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.8 Disaster Recovery Plan

Criteria

- 1.2.8.1 According to the COSO framework on Control Environment, management of an entity should develop a documented Disaster Recovery Plan that would provide procedures to be followed in the event of a mishap or disaster. In addition, this would enable the entity to prevent assets and information loss.

Observation

- 1.2.8.2 During the audit, we observed that Management operated the entity without a disaster recovery plan.

Risk

- 1.2.8.3 The failure to establish a disaster recovery plan may result in the complete loss of transaction data and information in the case where a negative event may occur.

Recommendation

- 1.2.8.4 Management should develop, approve and operationalize a disaster recovery plan to help mitigate the risk of loss of transaction data and information in the event of a negative occurrence.
- 1.2.8.5 Evidence of an approved disaster recovery plan should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.8.6 *Management takes note and will begin coordination to ensure the establishment of the disaster recovery plan.*

Auditor General's Position

- 1.2.8.7 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.9 Training and Development Plan

Criteria

- 1.2.9.1 The Committee of Sponsoring Organizations of the Tradeway Commission (COSO) states, that commitment to competence includes the level of knowledge and skill needed to help ensure orderly, ethical, economical, efficient and effective performance, as well as a good understanding of individual responsibilities with respect to internal control.
- 1.2.9.2 The above can be evidenced by providing training, to raise the awareness of management and employees of the internal control objectives and, in particular, the objective of ethical operations, and helps them to understand the internal control objectives and to develop skills to handle ethical dilemmas.

Observation

- 1.2.9.3 During the audit, we observed no evidence that Management had a documented training and development plan.

Risk

- 1.2.9.4 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.
- 1.2.9.5 In the absence of an annual training plan, training may be conducted arbitrarily. This may impair the development plan and the required capacity of staff of the entity.
- 1.2.9.6 In the absence of periodic training/capacity-building initiatives, staff may not obtain the required capacity needed to achieve the objectives of the entity.

Recommendation

- 1.2.9.7 Management should develop, approve, and operationalize a comprehensive training plan that addresses the strategic capacity needs of the staff of the entity. The requisite training and capacity development plan for each unit should be identified and scheduled.
- 1.2.9.8 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.9.9 *Management takes note and will begin coordination to ensure the establishment of a training and development plan.*

Auditor General's Position

1.2.9.10 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.10 Database and Profile of Suppliers, Consultants and Contractors

Criteria

1.2.10.1 Section 29 (5 j to K) of the PPC Act of 2005 as amended and restated in 2010 requires the procurement unit to maintain a database of all supplies, contractors and consultants as well as the maintenance of a profile of the past performance of suppliers, contractors and consultants with respect to their performance of contracts awarded under the PPC Act.

Observation

1.2.10.2 During the audit, we observed no evidence that a database on suppliers, consultants as well as the maintenance of a profile of past performance of suppliers, contractors and consultants were documented and maintained by Management as required.

Risk

1.2.10.3 In the absence of a complete database for suppliers, contractors and consultants as well as profiles for past performance may lead to awarding contracts to non- performing suppliers, contractors or consultants. This may impair the achievement of value for money.

Recommendation

1.2.10.4 Management should ensure that the procurement unit maintains a complete database for all its suppliers, contractors and consultants.

1.2.10.5 Management should also ensure that profiles of past performance of suppliers, contractors and consultants are maintained to assist Management in its future procurement decisions.

Management's Response

1.2.10.6 *We acknowledge the recommendations from the General Auditing Commission (GAC) regarding the absence of a supplier database and past performance profiles at the Ministry of National Defense, as stipulated in Section 27 of the Public Procurement and Concession Act.*

We are taking note of the issues raised and would like to inform you of the following actions:

- 1. The Ministry initiated the establishment of a vendor database for FY 2022.*
- 2. Implementation began in FY 2023.*
- 3. The Ministry will update the existing database to include profiles for past performance of suppliers, contractors, and consultants*

Auditor General's Position

1.2.10.7 We acknowledge Management's acceptance of our findings and recommendations. We will

follow-up on the implementation of our recommendations during subsequent audit.

1.2.11 Volunteers and Contracted Staff

Criteria

- 1.2.11.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls Framework requires that "management should interpret the regulations and procedures and develop into its own human resources policies and procedures. The human resource policy should regulate matters such as orientation, training, promotions, and compensation. This policy also explains the minimum qualification and experience criteria for recruiting skilled and competent staff, training and continuous development of employees, skills retention and monitoring of the competency of staff in place to ensure that skilled and competent staff is retained and assessed."
- 1.2.11.2 Furthermore, Section 13.1 (C) of the Decent Work Act of 2015 requires that "a contract of employment may require that an employee serve a probationary period, provided that it shall not be more than three months."

Observation

- 1.2.11.3 During the audit, we observed no evidence of contracts, policy and procedures developed to regulate the activities of individuals serving as volunteers and contractors with the 14-military hospital.

Risk

- 1.2.11.4 The lack of Human Resource policy and procedures may lead to Management inability to manage or regulate the activities of the volunteers.
- 1.2.11.5 Perpetually maintaining staff on contracts may deny them protection guaranteed under the Civil Service Standing Order and the Decent Work Act of 2015.

Recommendation

- 1.2.11.6 Management should ensure that the Human Resource Department develop, approve and operationalize a policy that regulates the terms of employment of volunteers. Also, Management should develop, approve and operationalize periodic contracts for volunteers detailing terms of employment consistent with the approved policy.
- 1.2.11.7 Management should ensure that staff who have successfully completed the probationary period be fully employed, as indicated by the Civil Service Standing Order and the Decent Work Act of 2015.

Management's Response

- 1.2.11.8 *During the period under review, the hospital hired the services of approximately Eight (8) volunteers without commitments for future employment. Selected volunteers signed a consent form of "No Financial Liabilities or employment" to the hospital. The selected*

volunteers were free to discontinue their services with the hospital after the probational period. Management however takes note of the recommendations.

Auditor General's Position

- 1.2.11.9 We acknowledge Management's assertions. However, there were no evidence of contracts, policy and procedures developed to regulate the activities of individuals serving as volunteers and contractors. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.12 Lack of Proper Archives System

Criteria

- 1.2.12.1 Regulation V.1 (3) of the PFM Act of 2009, as amended and restated 2019 states that the head of Government Agency must ensure that processes (whether manual or electronic and procedures are in place for the effective, efficient, economic and transparent use of the assets of the institution. In addition, Regulation V.1.2. (a) of the PFM Act of 2009 (Responsibility of Assets Management) 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: Preventive mechanisms are in place to eliminate theft, losses, wastage and misuse."

Observation

- 1.2.12.2 During the audit, we observed that Management did not maintain adequate storage of financial management records. Several records were not properly placed in cup boards, cabinets and on shelves in the record room.

Risk

- 1.2.12.3 Failure to properly secure records may lead to Management losing important documents.
- 1.2.12.4 Relevant documentation may not be available to facilitate future review and / audit exercises.

Recommendation

- 1.2.12.5 Management should facilitate the maintenance of comprehensive records of all the entity's transactions. Manual copies of all records should be adequately documented and filed to facilitate future review.
- 1.2.12.6 Management should facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response

- 1.2.12.7 *Management takes note and is currently working on measures to transitioning to an*

electronic management system and secure storage cupboards.

Auditor General's Position

1.2.12.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.13 Irregularities Associated with Medical Facilities, Drug storage and Insurance.

Criteria

1.2.13.1 Section 10.5 of the Ministry of National Defense Act of 1956 as Amended and Restated 2008 states that: "Hospitalization and medical care shall be provided when required to all service members of the AFL while serving on active duty, their spouses, and natural born dependent children, not exceeding 18 years of age."

Observation

1.2.13.2 During the field verification, we observed the following irregularities noted from the Clinics at the various military barracks:

- Drugs are not stored at the required temperature. (For example, in some clinic Drugs are stored in mini containers). Ventilation equipment (Air conditioners and fans) required to maintain the potency of drugs were not available.
- Most of the clinics do not have a laboratory to carried out test while others do not have reagents for the labs.
- Most of the clinics do not have standby generators
- Medics and Dispensers at the medical facilities need additional training so as to enhance their capacities.
- Limited drugs supply by MoD Management and no delivery notes accompanying drugs received.
- No antivenin, there were reported cases of snake bites injury at the various barracks.
- No report on the disbursement of drugs.
- Most of the soldiers and dependent find it difficult to get insurance slips, thereby causing them to pay their own medical bills out of pocket.
- Reimbursement for insurance payment is not forth coming.
- Some of the clinics do not have ambulance (Camp Tubman, Todee Military Barrack)
- Some of the roof at various clinics have leakages and no renovation observed.



Risk

- 1.2.13.3 Storing drugs below and above the required temperature may render the drugs unfit for the necessary treatment.
- 1.2.13.4 Lack of training for Medics and Dispensers may impair their performance capacities in the discharge of their duties.
- 1.2.13.5 Lack of Laboratories at the various barrack clinics may impair the quality of treatment received by patients at these facilities.
- 1.2.13.6 Lack of medical supplies such as drugs and other medications may impair the smooth operations and quality of treatment at clinics of the entity.
- 1.2.13.7 Inadequate infrastructure and logistics at various clinics may impair service delivery.

Recommendation

- 1.2.13.8 Management should perform a comprehensive need assessment to establish the cost and subsequent acquisition of the following: ventilation equipment, laboratory equipment and accessories, generators, training cost for Medics and Dispensers, annual drugs supply chain management at various clinics, antivenin, ambulances and cost of renovation of clinics. The total cost should be segmented and budgeted for on an annual basis, based on competing demands and availability of funds.
- 1.2.13.9 Management should facilitate the procurement of an efficient and effective insurance service provider to facilitate timely and quality treatment for their employees. Reimbursement for previous insurance payments should be disbursed timely.
- 1.2.13.10 Management should initiate the issuance and authorization of delivery notes for all drugs issued to MoD clinics. The delivery notes should be authorized by a Logistics Officer, the Storeroom Officer and a representative of the Office of the Inspector General. Subsequently, the Storeroom Officer should prepare a comprehensive report on the disbursement of drugs

on a periodic basis. Evidence of a comprehensive report on the disbursement of drugs should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.13.11 *Management takes note and will work towards implementation of the suggested recommendations. We also would like to say due to low budgetary support for the hospital, adequate drugs supplies continue to be a challenge for all the barracks ran clinics.*

Auditor General's Position

- 1.2.13.12 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.14 Irregularities Associated with Schools Operated by MoD

Criteria

- 1.2.14.1 Chapter 6 section 2.1 of the Education Law Title 10, Liberia Code of Laws revised Act of 2011, Junior/ secondary teachers and administrators shall possess at least an Associate Degree and B Certificate and for primary schools' teachers should have an Associate Degree and a high School Diploma with a year of post-secondary education plus B or C Certificates from a recognized teacher's training institutes.
- 1.2.14.2 Further, Regulations 36 of the Liberia Education Law Title 10, Liberia Code of Laws revised Act of 2011, requires Government to ensure that textbooks, Library, and other instructional materials are available on a fair basis, the county school board or the MCSS Council will allot all national, local and non-categorical funds system wide, on a per pupil basis, at each of the various organization grouping.

Observation

- 1.2.14.3 During the audit, we observed the following irregularities with school facilities operated by the Ministry:
- Fees are paid at the register office instead of the bank.
 - Lack of operation fund or petty cash to take care of the day to day activities.
 - Lack of segregation of duties for example, the VPA is the Same as the Warehouse Manager.
 - Inadequate school edifice
 - Poor water system and sanitation
 - Insufficient instructional staffs and limited trained teachers.
 - Lack of spacious and well-ventilated classrooms
 - Inadequate seating facilities
 - Lack of spacious and serviceable libraries. **See Table 5 Below and Appendix for details.**

Table 5: Irregularities Associated with Schools Operated by MoD

NO.	Military Barracks	Name of Schools	Location	# of Students	Status
1.	BTC Barrack	Gray D. Allision	Monrovia Montserrado county		Need renovation and Instructional Materials
2.	EBK Barrack	Linda Thomas Greenfield Preparatory Junior High school	Margibi County	1,000	Classes are crowded School buildings Need renovation, Poor sanitation, need additional Teacher and Training. There is need to extend to Senior High
3.	Liberia Coast Guard Base	Liberia Coast Guard School System	Monrovia, Montserrado County	485	Need a School Building as the school is in the housing unit.
4	Camp Tubman Military Barrack	Camp Tubman Preparatory School	Gbarnga City Bong County	217	Need a New school Building, Training for Teacher and Instructional materials

Risk

- 1.2.14.4 Cash may be collected but subsequently not deposited in the entity's bank account.
- 1.2.14.5 In the absence of the petty cash system, petty cash may not be available to procure supplies and services of very minimum value. Management may endure the rigors of exhausting the procurement procedures for purchase of supplies and services for very minimum value, this may impair the efficient operations of the entity.
- 1.2.14.6 Lack of segregation of duties of such key functions may impair check and balances, thereby, leading to misappropriation of the entity's assets.
- 1.2.14.7 Inadequate infrastructure, assets and logistics at various schools may impair service delivery to students.

Recommendation

- 1.2.14.8 Going forward, Management should establish a direct deposit system, where in school fees are paid directly to the bank and the bank slip is taken to the finance office for proper documentation to facilitate future review.
- 1.2.14.9 Management should enforce the payment of all tuitions and fees through the entity's bank/mobile money accounts. Management should also establish an automated database cataloging all students bills, payment against those bills and outstanding payments. An automated leakage should be established between the bank statements and the database to ensure payment recorded are reflective of actual payment made. Alternatively, management should request real time review of bank statements to ensure payment recorded are reflective of actual deposits.

1.2.14.10 Management should perform periodic (monthly) reconciliation between bills and actual payments. Variances identified should be investigated and adjusted where applicable in a timely manner. Management should also institute a follow up mechanism for collection of all outstanding fees consistent with established policy.

1.2.14.11 Management should perform a comprehensive need assessment to establish the cost and subsequent implementation of the following: improved water system and sanitation, hiring/training of instructional staff, expansion of class room facilities and acquisition of additional seating capacities. Subsequently, Management should budget for and include the cost of these deliverables in the entity's annual budget to facilitate their procurement accordingly.

Management's Response

1.2.14.12 *Management takes note and will work to ensure the establishment of a school system by Next Academic year and ensure the necessary measures are implemented. Also note, measures for the Gray D. Allision have already begun. Example, fees are now been paid at the Bank.*

Auditor General's Position

1.2.14.13 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.15 Lack of Retirement and ware fare Policies for veterans and soldiers (AFL)

Criteria

1.2.15.1 Section 10.3(a) of the National Defense Act of 1956 as Amended and Restated 2008 States that: "A service member in the Armed Forces of Liberia, who honorably served the AFL up to retirement age shall be entitled to a monthly retirement pension based on the years of active service. The projected costs of annual pensions shall be submitted by the Ministry of National Defense in the annual defense budget for approval by the legislature, provided that such cost shall not be less than 50% and not more than 60% of the personnel's last pay during active service."

1.2.15.2 Also, Regulation T.15 of the PFM Act of 2009 as Amended and Restated 2019 states that, "The Minister shall issue Pension Instructions governing the preparation, computation and payment of retiring awards."

1.2.15.3 Section 10.4 of the New National Defense Act of 1956 as Amended and Restated 2008 States that, "In the case of death of the member of the AFL in the course of the lawful discharge of official duty, the spouse and minor (under the age of 18 years) children of that member shall receive a monthly pension. The amount and duration to be determine by the National Defense, advised by the Chief of Staff of the AFL, and approved by the Legislature, with the provision that the total cost of such pensions shall be commensurate with the ability of the National Budget to sustain the expense."

Observation

- 1.2.15.4 During the audit, we observed no evidence of approved retirement and death policies, to guide the operations, retirement and resettlement for the soldiers.
- 1.2.15.5 Additionally, we also observed that soldiers are not aware of their retirement package nor death benefits. Soldiers, particularly those of age sixty-five (65) and above are still awaiting retirement benefits.

Risk

- 1.2.15.6 Potential retirees and associated beneficiaries of the Army may be denied required pension benefits.
- 1.2.15.7 In the instance of delay in payment of retirement, the execution of retirement may not be appropriately determined. This may lead to overage/unproductive workforce.

Recommendation

- 1.2.15.8 Management should develop, approve and operationalize retirement and death benefit policies to regulate retirement of the AFL. The policy should comprehensively catalog the age and / or condition for retirement, simplified computation of retirement and death benefits, etc. These approved policies should be adequately documented and filed to facilitate future review.
- 1.2.15.9 Additionally, pension benefits should be budgeted for and paid to spouses and minors consistent with Section 10.4 of the New National Defense Act of 1956 as Amended and Restated 2008.

Management's Response

- 1.2.15.10 *Management takes note and currently has a Draft Pension and Gratuity policy pending legislation.*

Auditor General's Position

- 1.2.15.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.16 Non-Functional Liberia Air Wing Unit

Criteria

- 1.2.16.1 Section 5.1 of the New National Defense Act of 1956 as Amended and Restated 2008 States that: "There shall be within the Liberian Military (AFL) the Liberian Air Wing shall hold the rank of colonel and the commander of Unit shall hold rank of lieutenant Colonels. Other officers and soldiers shall hold such ranks as prescribed by the table of organization and equipment of unit to with they belong.

1.2.16.2 Further, Section 5.2 (a) (1-5), of the National Defense Act of 1956 as Amended and Restated 2008, states that:

- (a) The Liberian Air Wing is charged with the following responsibilities:
- Undertake search and rescue missions.
 - Provide limited air transportation for the movement of troops and logistics for the Armed Forces of Liberia.
 - Undertake medical evacuation.
 - Undertake limited marine patrol over Liberian Exclusive Economic Zone.
 - The Liberian Air Wing also has the responsibility or assisting other government ministries and agencies in times of emergency and natural or man-made disasters as well as assisting in evacuation and logistic movement.
- (b) In order to perform these functions, the Liberian Air Wing shall be equipped with the requisite equipment by the Government of Liberia”.

Observation

1.2.16.3 During the audit, we observed that the Air Wing Unit of the AFL lacks adequate equipment and appears not functional. As a result, the expertise of individuals trained to operate the Air Wing are not been utilized.

Risk

1.2.16.4 Lack of a functional Air Wing Unit may impair logistical, security and emergency operations of the AFL.

1.2.16.5 The expertise of individuals trained to operate the Air Wing may not be utilized.

Recommendation

1.2.16.6 Management should conduct a comprehensive need assessment and determine the total cost required to fully reactivate the Liberia Air Wing Unit. The total cost should be segmented and budgeted for on an annual basis, based on competing demands and availability of funds.

Management's Response

1.2.16.7 *Management has never admitted to running an Air Wing. It is a vision management hopes to achieve, however without support from the National Government, this will remain a vision. Sadly, even regular maintenance and upkeep of existing facilities (barracks) is a challenge due to low or inadequate budgetary support.*

Auditor General's Position

1.2.16.8 We acknowledge Management's assertions. However, Section 5.1 of the New National Defense Act of 1956 as Amended and Restated 2008 States that: "There shall be within the Liberian Military (AFL) the Liberian Air Wing shall hold the rank of colonel and the commander of Unit shall hold rank of lieutenant Colonels. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.2.17 Lack of adequate Logistics, Radio and Communications System

Criteria

1.2.17.1 Regulation V.1 (2) of the PFM Act of 2009 as Amended and Restated 2019 states that "Responsibility for Asset Management (2) 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. (3) The Head of Government Agency must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the assets assigned to the institution."

Observation

1.2.17.2 During the field verification, we observed that Management lacks the following logistics and equipment such as;

- Required number vehicles,
- Functional radio and communication systems
- Adequate uniforms, boots etc.
- Handsets, batteries, antennas
- Decent housing facilities





Risk

- 1.2.17.3 Inadequate infrastructure, assets and logistics at various military facilities may impair service delivery and effective corporation of the AFL.
- 1.2.17.4 Lack of the required assets and infrastructure may impair logistical, security and emergency operations of the AFL.
- 1.2.17.5 Lack of logistics may minimize performance, limit soldiers' engagements, increase uncertainty and effective interaction. This may also lead to external security threats.

Recommendation

- 1.2.17.6 Management should perform a comprehensive need assessment to establish the cost and subsequent acquisition of the following: the deficit in the required number of vehicles and uniforms, boots etc., the establishment of a functional radio and communication systems including the required number of handsets, batteries, and the enhancement and /

construction of decent housing facilities. The total cost should be segmented and budgeted for on an annual basis, based on competing demands and availability of funds.

- 1.2.17.7 Management should develop, approve and operationalize a housing policy for the AFL. The policy should include provision for the type of family members that should be allowed to reside alongside an officer in the entity's facility. Evidence of the approved housing policy should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.17.8 *Management has always budgeted for these supplies and equipment in the past. Unfortunately, there has always been reduction in budget, which has affected the acquisition of the mentioned items. However, Management acknowledges and will ensure the implementation of the Auditor's recommendations.*

Auditor General's Position

- 1.2.17.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.18 Liberian Coast Guard Lacks Adequate Equipment

Criteria

- 1.2.18.1 Section 4.4 (1-3) of the National Defense Act of 1956 as Amended and Restated 2008, states that: (1)" Perform any and all acts necessary to rescue persons and save property. (2) Compel any persons or vessels with the capacity render assistance to distress persons and vessels at seas. (3) Take charge of and protect all property saved from marine or aircraft disasters or floods which the Liberian Coast Guard is present, until such property is claimed persons legally authorized to receive it or until otherwise disposed of in accordance with the laws of the Republic of Liberia or regulations governing the Liberia Coast Guard and care for bodies of those whom may have perished such catastrophes."

Observation

- 1.2.18.2 During the field verification, we observed that the Liberian Coast Guard lacks the Following:
- Most of the boats appear to be down as some of the engines were swapped while others were damaged.
 - Navigation equipment on the boats.
 - Compass on the boat to show directions.
 - The stabilizer on the boat that is responsible to assist the vessels in cutting through the water more effectively has falling off and sailors have to tie it to get into the waters.
 - Life Vest in stock for Sailors.



GAC Pictorial Evidence on Coast Guard Rescue Boat

Risk

- 1.2.18.3 Lack of functional equipment for the Coast Guard may impair logistical, security and emergency operations of the AFL.
- 1.2.18.4 The full expertise of individuals trained to operate the Coast Guard Division of the AFL may not be utilized.

Recommendation

- 1.2.18.5 Management should perform a comprehensive need assessment to establish the cost and subsequent implementation of the following: Engines for boats, navigation equipment on the boats, compass on the boat to show directions, stabilizer on the boat that is responsible to assist the vessels in cutting through the water, life vest in stock for sailors. The total cost should be segmented and budgeted for on an annual basis, based on competing demands and availability of funds.

Management's Response

- 1.2.18.6 *Management has always budgeted for these supplies and equipment in the past. Unfortunately, there has always been reduction in budget, which has affected the acquisition of the mentioned items. However, Management acknowledges and will ensure the implementation of the Auditor's recommendations.*

Auditor General's Position

- 1.2.18.7 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.\

1.2.19 Monitoring & Evaluation

Criteria

- 1.2.19.1 Regulation A.15 (1) of the PFM Act of 2009 as Amended and Restated 2019 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 controls to mitigate these risks.

Observation

- 1.2.19.2 During the audit, we observed no evidence of a functional Monitoring and Evaluation Committee (M&E) to provide the required oversight for the full implementation of projects activities within approved timelines, evidenced by the absence of meeting minutes and periodic reports.

Risk

- 1.2.19.3 In the absence of effective monitoring and evaluation, project deliverables may not be achieved up to approved specifications and within approved timelines.
- 1.2.19.4 Value for money may not be achieved and project resources may be subjected to misappropriation.

Recommendation

- 1.2.19.5 Management should facilitate the establishment of a functional Monitoring and Evaluation Committee (M&E), evidence by the documentation of attendance records, meeting minutes, and periodic activities reports. Evidence of attendance records, meeting minutes, and periodic activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.19.6 *Management did not respond to this audit finding.*

Auditor General's Position

- 1.2.19.7 In the absence of a response by Management, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.2.20 Uncompleted and Abandoned Projects in MoD Barracks

Criteria

- 1.2.20.1 Section 40(1-2) of the Public Procurement and Concession Act of 2005 Amended and Restated 2010 states that: "(1) All procuring entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act. (2) For each fiscal year the Procurement Unit shall prepare a draft annual procurement

Plan for goods, works and services for use by the procuring Entity in the procuring Entity's budgeting process. Upon budget approval, the procurement Unit shall prepare an annual procurement plan for goods, works, and services in accordance with the procuring Entity's approved programs and budget and furnish it to the Procurement Committee."

1.2.20.2 Also, Section 30 (1 &2) of the Public Procurement and Concession Act of 2005 Amended and Restated 2010 states that: "Each procurement committee shall constitute a bid evaluation panel with the required expertise as and when required to evaluate bids solicited by the procuring entity."

1.2.20.3 Further, Regulation P.9 (1) and (2) of the PFM Act of 2009 as amended and restated 2019 states that: (1) "All disbursements or payments of public moneys shall be properly supported by pre-numbered payment vouchers. (2) Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."

1.2.20.4 Regulation U.9 of the PFM Act section (3) as amended and restated 2019 states that: "A head of Government Agency shall be accountable for the proper care, custody and use of Government inventories from the time of acquisition or assignment from the General Services Agency until they have been used or otherwise disposed of in accordance with these regulations."

Observation

1.2.20.5 During the audit, we observed through physical verification several uncompleted and abandoned projects. Additionally, we observed no evidence of adequate quality control and monitoring of projects during the planning, implementation, and turnover of all projects.

See Table 6 and Appendix 3 attached for details.

Table 6: Uncompleted and Abandoned Projects in MoD Barracks

No.	Military Barrack	Location	Status
1	Tuzon Military Barrack	Grand Gedeh County	Abandon
2	Sanniquellie Military Barrack	Nimba County	Abandon
3	Tubmanburg Military Barrack	Bomi County	Abandon
4	72 nd Military Barrack	Montserrado County	Abandon
5	Zorzor Military Barrack	Lofa County	Abandon
6	Foyah Military Barrack	Lofa County	Abandon



GAC Pictorial Evidence on MoD Barrack in Lofa County



GAC Pictorial Evidence on Camp Tubman Military Barrack

Risk

- 1.2.20.6 Failure to ensure that projects are completed within approved timelines, may lead to non-achievement of the entity's objectives.
- 1.2.20.7 Payment may be made for services not performed.
- 1.2.20.8 Value for money may not be achieved and project resources may be subjected to misappropriation.

Recommendation

- 1.2.20.9 Management should ensure that services paid for are performed in a timely manner.
- 1.2.20.10 Going forward, Management should ensure that a contract is developed and operationalized

with the selected vendors. The contracts should include nature of goods/ service to be delivered, the value of the goods / services, timing of delivery of goods/services and a clearly defined repercussion for breach of contract terms.

- 1.2.20.11 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.20.12 *Management would like to firstly clarify that at no time during the audit periods (2017 to 2021) were funds received for projects or renovations in any of the locations mentioned in table 6. Management would also like to clarify that all the locations mentioned in Table 6 are facilities that have been unoccupied since the end of the civil crisis. Hence there is absolutely no issue of quality control where there are no activities ongoing. Management only received some funds from the Government of Liberia (GOL) in 2022 for renovations (in few selected locations). The appropriate quality control measures were established and those fully implemented during the execution of these projects.*

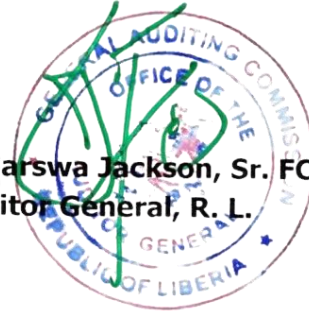
Auditor General's Position

- 1.2.20.13 We acknowledge Management's assertions. We will follow up on the implementation of our recommendations during subsequent audit.

ACKNOWLEDGEMENT

We acknowledge the cooperation and assistance provided to the GAC Audit Team by the Management and staff of the Ministry of National Defense (MoD) during the audit. The efforts and commitment of the GAC staff in conducting this audit are also gratefully acknowledged.

**P. Garswa Jackson, Sr. FCCA, CFIP, CFC
Auditor General, R. L.**



Monrovia, Liberia
July 2024

APPENDICES

Annexure 1a: Expenditure without evidence of adequate Supporting Documentation (Fuel & Lub.) FY 2017/2018.

Sources of documents	Payee	Description per Sources	Transaction Date per Source	Transaction Reference number	Transaction check number	Transaction amount per source US\$
IFMIS Ledger	N/A	PETROLEUM PRODUCTS FOR	26/9/2017	140117	00000000870265	3,639.50
IFMIS Ledger	N/A	Purchase of Petroleum Products	01/01/2018	146347	00000000930856	17,899.06
IFMIS Ledger	N/A	Purchase of Petroleum Products	01/01/2018	150400	00000000930824	26,982.40
IFMIS Ledger	N/A	PETROLEUM PRODUCTS FOR	01/10/2018	155457	00000000961829	18,382.40
IFMIS Ledger	N/A	Purchase of Petroleum Products	01/01/2018	150398	00000000930832	28,000.00
IFMIS Ledger	N/A	Purchase of Petroleum Products	01/01/2018	150399	00000000930850	6,999.69
IFMIS Ledger	N/A	PETROLEUM PRODUCTS	01/04/2018	155502	00000000963339	6,722.40
Total						108,625.45

Appendix 1b:	221402 Fuel and Lubricants – Generator						Amount US\$
2030200/1/01/001/000000/044900/0210/0000/221402	M3	26/9/2017	00000000870174	Expense Voucher	139584	PETROLEUM PRODUCTS FOR SEPTEMBER 2017	8,849.50
2030100/1/01/001/000000/041000/0210/0000/221402	M3	26/9/2017	00000000870264	Expense Voucher	140115	PETROLEUM PRODUCTS FOR SEPTEMBER 2017	20,882.40
2030100/1/01/001/000000/041000/0210/0000/221402	M3	26/9/2017	00000000870265	Expense Voucher	140117	PETROLEUM PRODUCTS FOR SEPTEMBER 2017	8,949.36
2030200/1/01/001/000000/044900/0210/0000/221402	M3	27/9/2017	00000000870399	Expense Voucher	140196	PETROLEUM PRODUCTS FOR SEPTEMBER 2017	6,749.50



Appendix 1b:		221402 Fuel and Lubricants – Generator					Amount US\$	
2030200/1/01/001/000000/044900/0210/0000/221402	M3	27/9/2017	000000000870400	Expense Voucher	140200	PETROLEUM PRODUCTS FOR SEPTEMBER 2017	5,635.43	
2030100/1/01/001/000000/041000/0210/0000/221402	M4	16/10/2017	000000000871725	Expense Voucher	140783	PETROLEUM PRODUCTS FOR THE MONTH OF OCTOBER 2017	10,441.37	
2030200/1/01/001/000000/044900/0210/0000/221402	M8	21/2/2018	000000000930829	Expense Voucher	150396	Purchase of Petroleum Products for the Month of January '18 / MOD	12,000.00	
2030200/1/01/001/000000/044900/0210/0000/221402	M8	21/2/2018	000000000930854	Expense Voucher	150397	Purchase of Petroleum Products for the Month of January '18 / MOD	4,799.86	
2030100/1/01/001/000000/041000/0210/0000/221402	M12	27/6/2018	000000000985933	Expense Voucher	161721	PETROLEUM PRODUCTS FOR JUNE 2018	9,084.39	
Total for Period							87,391.81	
Sub. Total for Fuel and Lubricants							196,017.26	

Appendix 1c: 221808 Intelligence Services							Amount US\$	
2030100/1/01/001/000000/041000/0210/0000/221808	M2	17/8/2017	000000000859558	Expense Voucher	135195	Payment of Funds to the AFL for the Hosting of ECOWAS Chief of Defense Staff Meeting / MOD	68,869.00	
Total							68,869.00	

Annexure 1d: Expenditure without evidence of adequate Support (Special Operation Services)

Block Coding	Period	Transaction Date	Journal Voucher#	Expenditure Type	Source Document number	Description	Amount US\$
2030100/1/01/001/000000/	M2	21/8/2017	000000000860127	Expense	135029	MoD Special Operation	75,000.00

Block Coding	Period	Transaction Date	Journal Voucher#	Expenditure Type	Source Document number	Description	Amount US\$
041000/0210/0000/221812				Voucher		Services, August 2017	
2030100/1/01/001/000000/ 041000/0210/0000/221812	M2	29/8/2017	000000000862576	Expense Voucher	136955	MoD Special Operation Services, August 2017	0.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M2	29/8/2017	000000000862603	Expense Voucher	136975	SPECIAL OPERATIONS	74,999.99
2030100/1/01/001/000000/ 041000/0210/0000/221812	M3	7/9/2017	000000000866958	Expense Voucher	138160	Special Operations for the Month of September '17 / MOD	12,139.65
2030100/1/01/001/000000/ 041000/0210/0000/221812	M3	8/9/2017	000000000867102	Expense Voucher	138250	Special Operations for the Month of September '17 / MOD	
2030100/1/01/001/000000/ 041000/0210/0000/221812	M4	31/10/2017	000000000880589	Expense Voucher	142685	MoD Special Operation Services, October 2017	144,986.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M4	31/10/2017	000000000880590	Expense Voucher	142680	MoD Special Operation Services, October 2017	145,000.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M5	7/11/2017	000000000881194	Expense Voucher	142971	MoD Special Operation Services, October 2017	72,493.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M5	7/11/2017	000000000881195	Expense Voucher	142972	MoD Special Operation Services, October 2017	72,493.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M5	7/11/2017	000000000881196	Expense Voucher	142968	MoD Special Operation Services, October 2017	72,500.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M5	7/11/2017	000000000881197	Expense Voucher	142969	MoD Special Operation Services, October 2017	72,500.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M6	15/12/2017	000000000908261	Expense Voucher	146689	special service Dec 2017 MOD	168,000.00
2030100/1/01/001/000000/ 041000/0210/0000/221812	M7	15/1/2018	000000000917323	Expense Voucher	148351	MoD special Operation for the purchase of AFL Band	29,000.00

Block Coding	Period	Transaction Date	Journal Voucher#	Expenditure Type	Source Document number	Description	Amount US\$
						Instrument for inauguration, Jan. 2018.	
2030100/1/01/001/000000/041000/0210/0000/221812	M7	17/1/2018	000000000918121	Expense Voucher	148947	Special Operational Service, MoD Jan. 2018	400,000.00
2030100/1/01/001/000000/041000/0210/0000/221812	M13	4/7/2018	000000000995149	Expense Voucher	163414	Special Operation Services for the Month of June '18 / MOD	15,662.00
Total							1,354,773.64

221812 Special Operations Services							
2030200/1/01/001/000000/044900/0220/0000/221812	M2	20/8/2018	000000001007964	Expense Voucher	2019-000000000002171	mod special operation august 2018	75,000.00
2030100/1/01/001/000000/041000/0210/0000/221812	M2	20/8/2018	000000001007964	Expense Voucher	2019-000000000002171	mod special operation august 2018	75,000.00
2030100/1/01/001/000000/041000/0210/0000/221812	M3	4/9/2018	000000001016538	Expense Voucher	2019-000000000002981	MOD, SPECIAL OPERATION, AUGUST 2018	15,662.50
2030200/1/01/001/000000/044900/0220/0000/221812	M4	23/10/2018	000000001034405	Expense Voucher	2019-000000000007278	MOD SPECIAL OPERATION SERVICES, OCT. 2018	68,000.00
2030100/1/01/001/000000/041000/0210/0000/221812	M4	23/10/2018	000000001034405	Expense Voucher	2019-000000000007278	MOD SPECIAL OPERATION SERVICES, OCT. 2018	67,000.00

221812 Special Operations Services							
2030100/1/01/001/000000/0410 00/0210/0000/221812	M5	27/11/2018	000000001052746	Expense Voucher	2019- 000000000011115	MOD SPECIAL OPERATION SERVICES, NOVEMBER 2018	200,994.660.0
2030100/1/01/001/000000/0410 00/0210/0000/221812	M6	10/12/2018	000000001056161	Expense Voucher	2019- 000000000012195	AFL COMPULSORY CONTRIBUTION PAYMENT, DECEMBER 2018	460,000.00
2030100/1/01/001/000000/0410 00/0210/0000/221812	M7	28/1/2019	000000001067294	Expense Voucher	2019- 000000000015091	MOD SPECIAL OPERATIONS SERVICES, JANUARY 2019	102,393.00
2030200/1/01/001/000000/0449 00/0220/0000/221812	M7	28/1/2019	000000001067294	Expense Voucher	2019- 000000000015091	MOD SPECIAL OPERATIONS SERVICES, JANUARY 2019	2,393.00
2030200/1/01/001/000000/0449 00/0220/0000/221812	M10	15/4/2019	000000001094651	Expense Voucher	2019- 000000000020476	MOD REGULAR SPECIAL OPERATION SERVICES, APRIL 2019	3,214.80
2030200/1/01/001/000000/0449 00/0220/0000/221812	M10	15/4/2019	000000001094652	Expense Voucher	2019- 000000000020481	MOD REGULAR SPECIAL OPERATION SERVICES, APRIL 2019	2,143.17
2030200/1/01/001/000000/0449 00/0220/0000/221812	M12	27/6/2019	000000001120809	Expense Voucher	2019- 000000000026561	AMOUNT REPRESENTS PAYMENT OF FUNDS TO THE ABOVE PAYEE AS SPECIAL OPERATION	49,287.00

221812 Special Operations Services							
						SERVICES IN FAVOR OF MINISTRY OF NATIONAL DEFENSE, JUNE 2019 IN THE AMOUNT OF NINE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND EIGHT HUNDRED SIXTY-EIGHT AND EIGHTY-SIX CENTS LRD	
2030200/1/01/001/000000/0449 00/0220/0000/221812	M13	8/7/2019	000000001125291	Expense Voucher	2019- 000000000029101	Special operation June 2019 MOD	5,999.75
2030200/1/01/001/000000/0449 00/0220/0000/221812	M13	8/7/2019	000000001125292	Expense Voucher	2019- 000000000029100	Special operation June 2019 MOD	9,000.00
Total for Period							935,093.22
Sub. Total for Intel and Special Ops.							2,358,735.86
Grand Total							2,554,753.12

Appendix 2: Irregularities Associated with Procurement Management

No.	Date	Supplier/Recipient	Description	Ck No	Voucher #	Amount US\$	L\$ Value at rate (209.98)
1	10-Oct-019	BITAR CONSTRUCTION CO.	Full payment for Triage construction at Military Hospital	063801		124,889.16	26,224,225.82
2	10-Oct-019	BITAR CONSTRUCTION CO.	Full payment for Waste mgt at Military hospital	063801		35,239.97	7,399,688.90
3	10-Oct-019	BITAR CONSTRUCTION CO.	Partial paymt-19.10% for fencing at military hospital	063801		34,870.87	7,322,185.28

No.	Date	Supplier/Recipient	Description	Ck No	Voucher #	Amount US\$	L\$ Value at rate (209.98)
4	10-Oct-019	JOYCE D.H YORMIE	Equipment maintenance & mobilization at military hospital	063802		25,377.00	5,328,662.46
5	27-Nov-019	BITAR Construction	Payment Against 555,202.90 debt owed by GOL for Military Hospt.	0063804		480,000.00	100,790,400.00
6	13-Jan-020	BITTAR Construction	Payment for materials for 14 Military Hospital	00000396	04	273,067.93	54,613,586.00
7	13-Jan-020	Robert T. Jadoe	Payment for fuel & clearing	00000397	05	133,300.00	26,660,000.00
8	25-Jan-020	BITTAR Construction	Payment for materials for 14 Military Hospital			25,000.00	5,000,000.00
9	27-Feb-020	BITTAR Construction Co.	Payment to BITTAR for emergency annex & fencing for hosptl.	0673202	06	193,000.00	38,600,000.00
10	28-Feb-020	Robert T. Jadoe	Partial payment for landscaping-military hospital	0673203	07	75,000.00	15,000,000.00
11	28-Feb-020	Robert T. Jadoe	Payment for landscaping, fuel & clearing-military hospital	0673204	07	74,000.00	14,800,000.00
12	03-Mar-020	Robert T. Jadoe	Payment for materials for 14 Military Hospital		08	10,000.00	2,000,000.00
Total						1,483,744.93	303,738,748.46

Appendix 3: Non-Withholding and Remittance of Income Tax

No.	Date	Description	Amount US\$
1	26-Sept-019	Salary-income tax for July 2019 foreign studies	16,855.21
2	26-Sept-019	Basic Salary-August 2019 Income tax	122,600.60
3	26-Sept-019	Basic Salary-August 2019 foreign studies income tax	15,910.94
4	30-Sept-019	Basic sal-July 019 outstanding Income tax for 48 persons	4,880.54
5	14-OCT-019	Basic salary-Income tax for Sept.2019	126,234.53
6	14-OCT-019	Basic salary-foreign stud Income tax Sept.019	14,152.23
7	18-Nov-019	Basic salary-80% income tax for Oct. 2019	130,580.15

No.	Date	Description	Amount US\$
8	25-Nov-019	Basic salary-80% foreign std. income tax for Oct. 2019	8,809.90
9	16-Dec-019	Basic salary-Income tax for Nov. 2019	125,987.73
10	16-Dec-019	Basic salary-Income tax for Nov. 2019 foreign std.	8,809.90
11	13-Jan-020	BASIC SALARY-DEC.019 INCOME TAX	121,229.95
12	13-Jan-020	BASIC SALARY-DEC.019 FOREIGN STUD.INCOME TAX	7,447.57
13	23-Jan-020	BASIC SALARY-JAN.020 INCOME TAX	122,783.15
14	24-Jan-020	BASIC SALARY-JAN.020 INCOME TAX FOR FOREIGN.STUDY	6,919.14
15	DEC.019	BASIC SALARY-DEC.019 INCOME TAX	123,099.76
16	26-Feb-020	BASIC SALARY-FEB.020 FOREIGN STUD.INCOME TAX	7,349.37
17	MAR.019	BASIC SALARY-MAR.019 INCOME TAX	123,444.28
18	27-MAR-020	BASIC SALARY-MAR.020 FOREIGN STUD.INCOME TAX	7,615.62
19	28-Apr-020	Basic salary-Income tax for April 2020	123,548.46
20	25-Apr-020	Basic Salary-Income tax for Foreign students ,Apr.2020	7,679.46
21	26-May-020	Basic salary-May 2020 Income tax for employees	123,173.98
22	28-May-020	Basic salary-May 2020 foreign study income tax	7,499.10
23	15-June-020	Basic salary-June 2020 foreign study income tax	10,169.84
24	18-June-020	Basic salary-June 2020 Income tax for employees	120,740.29
25	30-June-020	Basic salary-June 2020 income tax	154.03
Total			1,487,675.73

Appendix 4: Non-remittance of Social Security Contributions

No.	Date	Description	Amount US\$
1	18-Nov-019	Basic salary-80% NASSCORP Contr. for Oct. 2019	5,558.16
2	25-Nov-019	Basic salary-80% foreign std. NASSCORP Contr. for Oct. 2019	222.80
3	16-Dec-019	Basic salary-Nasscorp Contr.Nov.2019	5,107.68
4	16-Dec-019	Basic salary-Nasscorp Contr.Nov.2019 foreign std.	222.80
5	13-Jan-020	BASIC SALARY-DEC.019 NASSCORP CONTRIBUTIONS	5,093.04
6	13-Jan-020	BASIC SALARY-DEC.019 FOREIGN STUD.NASSCORP	203.86
7	23-Jan-020	BASIC SALARY-JAN. 020 NASSCORP CONTRIBUTION	5,047.29
8	24-Jan-020	BASIC SALARY-JAN.020 NASSCORP CON.	185.56
9	26-Feb-020	BASIC SALARY-FEB.020 FOREIGN STUD.NASSCORP	185.56

No.	Date	Description	Amount US\$
10	27-MAR-020	BASIC SALARY-MAR.020 FOREIGN STUD.NASSCORP	185.56
11	28-Apr-020	Basic Salary-Employees Nasscorp for April 2020	5,030.21
12	25-Apr-020	Basic salary-foreign students NASSCORP for Apr.2020	185.56
13	26-May-020	Basic salary-May 2020 NASSCORP contributions for employees	5,477.61
14	28-May-020	Basic salary-May 2020 NASSCORP contributions for employees	185.56
15	15-June-020	Basic salary-June 2020 NASSCORP contributions for employees	798.00
16	18-June-020	Basic salary-June 2020 NASSCORP contributions for employees	4,978.45
17	30-June-020	Basic salary-June 2020 NASSCORP Contributions for employees	43.92
Total			38,711.62

Appendix 5: Non-remittance of Social Security Contributions

No.	Date	Payees	Description	Amount US\$	GST (1%) US\$
1	22-Dec-019	Aminata & Sons	Fuel & lubricants-generator	20,000.00	200.00
2	23-Jan-020	Aminata & Sons	Fuel & lubricants-generator	60,000.00	600.00
3	18-Mar-020	Aminata & Sons	Fuel & lubricants-generator	20,000.00	200.00
4	31-Mar-020	Aminata & Sons	Fuel & lubricants-generator	40,000.00	400.00
5	28-Apr-020	Aminata & Sons	Fuel & lubricants-generator	36,303.90	363.04
6	28-May-020	Aminata & Sons	Fuel & lubricants-generator	59,500.00	595.00
7	29-May-020	Aminata & Sons	Fuel & lubricants-generator	7,200.00	72.00
8	29-May-020	Aminata & Sons	Fuel & lubricants-generator	6,767.00	67.67
9	12-June-020	Aminata & Sons	Fuel & lubricants-generator	76,632.59	766.33
10	12-June-020	Aminata & Sons	Fuel & lubricants-generator	7,200.12	72.00
Total				333,603.61	3,336.04

Appendix 6: Irregularities Associated with Fixed Asset Management

NO	GSA CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIES NUMBER	MODEL	YEAR	BTU	PERSON NAME	PERSON TITLE	LOCATION	COST CENTER	SUPPLIER	CONDITION
1	None	Desk	Executive	N/A	N/A	N/A	N/A	N/A	Frederick B. Norkeh	Minister	Minister Office	Administration	GOL	Good

Auditor General's Report on the Compliance Audit of the Ministry of National Defense (MOD)
for the fiscal periods July 1, 2017 to December 31, 2021

NO	GSA CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIES NUMBER	MODEL	YEAR	BTU	PERSON NAME	PERSON TITLE	LOCATION	COST CENTER	SUPPLIER	CONDITION
2	None	Table	Conference	N/A	N/A	N/A	N/A	N/A	Frederick B. Norkeh	Minister	Minister Office	Administration	GOL	Good
3	None	Table	Wooden	N/A	N/A	N/A	N/A	N/A	Frederick B. Norkeh	Minister	Minister Office	Administration	GOL	Good
4	None	Table	Coffee	N/A	N/A	N/A	N/A	N/A	Frederick B. Norkeh	Minister	Minister Office	Administration	GOL	Good
5	None	Table	Coffee	N/A	N/A	N/A	N/A	N/A	Jaitu W. Marshall	Minister	Secretary Office	Administration	GOL	Good
6	None	Table	Coffee	N/A	N/A	N/A	N/A	N/A	Jaitu W. Marshall	Minister	Secretary Office	Administration	GOL	Good
7	None	Table	Coffee	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Special Assistant Office	Administration	GOL	Good
8	None	Table(mini)	Wooden	N/A	N/A	N/A	N/A	N/A	Josephine Boylon	Minister	Security Office	Administration	GOL	Good
9	None	Table(mini)	Wooden	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Security Office	Administration	GOL	Good
10	None	Chair	Executive	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Minister CR	Administration	GOL	Good
11	None	Chair	Desk-side	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Minister CR	Administration	GOL	Good
12	None	Chair	Desk-side	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Minister CR	Administration	GOL	Good
13	None	Chair	Executive	N/A	N/A	N/A	N/A	N/A	Nicholes Johnson	Minister	Minister CR	Administration	GOL	Good
14	None	Chair	Semi-Executive	N/A	N/A	N/A	N/A	N/A	Ebenezer Kelliegbo	Minister	DMA Office	Administration	GOL	Good

Auditor General's Report on the Compliance Audit of the Ministry of National Defense (MOD)
for the fiscal periods July 1, 2017 to December 31, 2021

NO	GSA CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIES NUMBER	MODEL	YEAR	BTU	PERSON NAME	PERSON TITLE	LOCATION	COST CENTER	SUPPLIER	CONDITION
15	None	Chair	Semi-Executive	N/A	N/A	N/A	N/A	N/A	Miller B. Karduan	Minister	Adm. Assistant Office	Administration	GOL	Good
16	None	Chair	Semi-Executive	N/A	N/A	N/A	N/A	N/A	Novella Johnson	Minister	Adm. Officer Office	Administration	GOL	Good
17	None	Chair	Semi-Executive	N/A	N/A	N/A	N/A	N/A	Novella Johnson	Minister	Adm. Officer Office	Administration	GOL	Good
18	None	Chair	Semi-Executive	N/A	N/A	N/A	N/A	N/A	Novella Johnson	Minister	Adm. Officer Office	Administration	GOL	Good
19	None	Chair	Sofa(Large)	N/A	N/A	N/A	N/A	N/A	Morris M. Siryon	Minister	Inspectrate Bureau	Administration	GOL	Good
20	None	Chair	Sofa(medium)	N/A	N/A	N/A	N/A	N/A	Joseph Q. Darkor	Minister	Inspectorate	Administration	GOL	Good
21	None	Chair	Sofa(medium)	N/A	N/A	N/A	N/A	N/A	Brugess H. Houston	Minister	Quality of Service	Administration	GOL	Good
22	None	Ckkupboard	Wooden/Glass	N/A	N/A	N/A	N/A	N/A	Burgess H. Houston	Minister	Quality of Service	Administration	GOL	Good
23	None	Icebox	Small-Size	H20	1.77E+09	H2R-101	N/A	18,000	Burgess H. Houston	Minister	Quality of Service	Administration	GOL	Good
24	None	Airconditioner	Split unit	GIBSON	92100022	GS18K17BCCI	N/A	N/A	Emmanuel Fred	Minister	Plan./Resc.& Statistics	Administration	GOL	Good
25	None	Airconditioner	Split unit	GIBSON	7.44E+09	GS12K57CCCI	N/A	N/A	Emmanuel Fred	Minister	Plan./Resc.& Statistics	Administration	GOL	Good
26	None	Computer	Flatcren	DELL	CN-OC20IR-74445-	OC20IR	N/A	N/A	Emmanuel Fred	Minister	PR/S	Administration	GOL	Good



NO	GSA CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIES NUMBER	MODEL	YEAR	BTU	PERSON NAME	PERSON TITLE	LOCATION	COST CENTER	SUPPLIER	CONDITION
					98A3435									
27	None	Computer	Keyboard	DELL	CN-04G481-71616-51G-1195-A00	KB212-B	N/A	N/A	Joseph S. Gbemelen Jr.	Minister	Rural Postal Services	Administration	GOL	Good
28	None	Computer	System unit	DELL	3.9E+10	HX4SG52	N/A	N/A	Semnuh Wiah	Minister	Human Resource	Administration	GOL	Good
29	None	Copy machine	3-in-1	HP	CN5791RR09Y	G3J47-64001	N/A	N/A	Semnuh Wiah	Minister	Human Resource	Administration	GOL	Good
30	None	Phone	Land	ASTRA	ON132106EE	7187A	N/A	N/A	Vincent T, Yelegar	Minister	Consultant Bureau	Administration	GOL	Good

Appendix 7A: Damaged generators

Military Barrack	Location	Kind	# damaged	Condition(s)
Voinjama	Voinjama City	Robin 75 KVA	1	Need a Generator
Camp Tubman	Gbarnga City	Jungle Energy Power (JEP)	Jungle Energy Power (JEP)	No fuel for Standby Generator
Camp Sandee Ware	Careyburg City	SDMO 44KVA,	1	Insufficient Fuel supply.
Tubman Military Academy	Todee	Pekins 88KVA, FG Wilson 275 KVA	2	Two generator new repair.
Edward Beyan Kesselly	Margibi	Caterpillar generator 1000 KVA/800KVA	1	need repair
Liberia Coast Guard	Monrovia	Pekins 45KVA	1	Need repair
Liberia Coast Guard, (Substation)	Buchanan City	Kama generator	2	Need repair
Camp Naama	Bong county			Need Generator

Appendix 7B: Fuel, Lubricant & Generator

Military Barrack	Location	Fuel usages per day	Hours run per day
Voinjama	Voinjama City	5 gals	7 hours
Camp Tubman	Gbarnga City	Uses Jungle Energy Power (JEP)	No Fuel for Standby Generator
Camp Sandee Ware	Careyburg City	6 gals	5 hours
Todee	Todee	5gals	4 hours
Edward Beyan Kesselly	Margibi		6 hours

Military Barrack	Location	Fuel usages per day	Hours run per day
Liberia Coast Guard	Monrovia	LEC	
Liberia Coast Guard, (Substation)	Buchanan City	6 gals	5 hours