



## Management Letter

### On the Audit of the Incident Management System (IMS) COVID-19 Response

*For the Period July 1, 2020 to June 30, 2021*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**

August 2024

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## **ACRONYMS USED**

<b>Acronym</b>	<b>Meaning</b>
AG	Auditor General
ACCA	Association of Certified Chartered Accountant
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
COSO	Committee of Sponsoring Organization of the Treadway Commission
ESOP	Emergency Standard Operating Procedures
GAC	General Auditing Commission
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standard of Supreme Audit Institutions
IMS	Incident Management System
MFDP	Ministry of Finance and Development Planning
MoH	Ministry of Health
NPHIL	National Public Health Institute of Liberia
PFM	Public Finance Management
PPC Act	Public Procurement and Concession Act
USD	United States Dollar

August 20, 2024

Dr. Dougbeh Chris Nyan  
Director General  
National Public Health Institute of Liberia (NPHIL)  
Congo Town, Montserrado County  
Monrovia, Liberia

Dear Dr. Nyan:

The financial statements of the Incident Management System (IMS) are subject to audit by the Auditor General (AG) consistent with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

## **INTRODUCTION**

Financial Statements Audit on the IMS for the period July 1, 2020 to June 30, 2021 have been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

## **SCOPE AND DETERMINATION OF RESPONSIBILITY**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

An audit includes an examination on a test basis of evidence supporting the amounts and disclosures in the financial statements; Assessment of the accounting principles used and significant estimates made by management; and Evaluation of the overall financial statements' presentation.

The audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters. The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The audit findings which were identified during the course of the audit, are included below.

### **Key Management Personnel of IMS**

<b>Name</b>	<b>Rank</b>	<b>Period of service</b>
Dr. Wilhelmina Jallah	Minister/Incident Manager- IMS	February 2019 – December 2023
Hon. Jane Macauley	Deputy Incident Manager	February 2019 – December 2023
Fidel Wiah	DIMS for Finance	May 2019 - December 2023
Sam W. Tarty	Procurement Lead	May 2019 - December 2023
Ambrose Wreh	HR Team Lead	February 2019 - December 2023
Adrian Brown	Adm./Star Base	September 2019 – December 2023
Kollenmu G. Massade	Compliance	February 2019 - December 2023

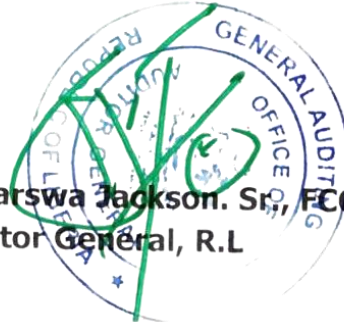
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For the Period July 1, 2020 to June 30, 2021*

### **Appreciation**

We would like to express our appreciation for the courtesy extended and assistance rendered by the Management and staff of the IMS during the audit.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

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



**Monrovia, Liberia**

June 2024

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Lack of Comparative Information in the Financial Statements

##### Criteria

- 1.1.1.1 Paragraph 1.4.16 of International Public Sector Accounting Standards (IPSAS) cash basis of accounting (2017) states that, "Unless a provision of this standard permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all numerical information required by this standard to be disclosed in the financial statements, except in respect of the financial statement for the reporting period to which this standard is first applied. Comparative information shall be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

##### Observation

- 1.1.1.2 During the audit, we observed that Management did not disclose prior year information in the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts and notes to the financial statements as required by the standards for comparability purposes.

##### Risk

- 1.1.1.3 The lack of adequate disclosure of comparability information as required by Cash Basis IPSAS is a violation of the standards and may impair fair presentation and decision making of the users of the financial statements.

##### Recommendation

- 1.1.1.4 Management should adequately present comparative information as required by Cash Basis IPSAS (2017) to facilitate full disclosure of the financial statements.

##### Management's Response

- 1.1.1.5 *We acknowledge the observation. The financial statements prepared at inception (for the period February 2020 – June 2020) were based on the IMS pillars and thematic areas, and not the Government's Chart of Account. This approach then was meant to easily trace costs and expenses with activities as desired by the donors. The current financial statements were prepared using the government's chart of accounts for consistency with government reporting and IPSAS Cash Basis. So, this made it difficult to disclose comparative information on the financial statements. Moving forward, the IMS assures you that the recommendation will be implemented.*

##### Auditor General's Position

- 1.1.1.6 We acknowledge Management's assertion. However, Paragraph 1.4.19 of IPSAS cash basis (2017) states that, 'When the presentation or classification of items required to be disclosed in the financial statements is amended, comparative amount shall be reclassified, unless it

is impracticable to do so, to ensure comparability with the current period, and the nature, amount of, and reason for any reclassification shall be disclosed. When it is impracticable to reclassify comparative amounts, an entity shall disclose the reason for not reclassifying and the nature of the changes that would have been made if amounts were reclassified.

1.1.1.7 Therefore, we maintain our finding and recommendation. We will make a follow up on the implementation of our recommendation during subsequent audit.

## 1.1.2 Disparity in Testing Fees

### Criteria

1.1.2.1 Regulation A. 3 (1 and 2) of the Amended and Restated Public Financial Management (PFM) Act 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 them, by the Minister.

1.1.2.2 Additionally, Section 48 (1) of the Amended and Restated PFM Act 2019 states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister.

### Observation

1.1.2.3 During the audit, we observed that Management reported the total amount of **US\$4,775,267.54**, as revenue from COVID-19 testing fees, while a review of the bank statements for the period revealed the total amount of **US\$4,711,895**, thus deriving a variance of **US\$63,370**. **See Table 1 below for details.**

**Table 1: Discrepancies between General Ledger and Bank statements**

Month /Year	Description	Total Passengers	General Ledger US\$	Bank Statement US\$	Variance US\$
Nov-20	COVID-19 testing fees	17	1,275.00	1,253.42	21.58
Dec-20		10,934	769,444.50	754,319.39	15,125.11
Jan-21		9,653	705,497.10	689,720.51	15,776.59
Feb-21		7,473	517,825.00	517,874.51	(49.51)
Mar-21		11,367	777,762.50	767,562.27	10,200.23
Apr-21		10,093	672,427.68	671,603.79	823.89
May-21		10,080	674,042.64	668,477.67	5,564.97
Jun-21		9,834	656,991.22	641,083.62	15,907.60
	<b>Total</b>	<b>69,451</b>	<b>4,775,265.64</b>	<b>4,711,895.18</b>	<b>63,370.46</b>

1.1.2.4 We further recomputed projected revenue for the period using the number of passengers by multiplying the number of passengers by the approved fees paid and compare same to the revenue reported in the General Ledger thus resulting into a variance of **US\$97,085**.  
**Please see Table 2 below for details.**

**Table 2: Disparity in Testing Fees**

Month /Year	Description	Total Passengers	Projected Revenue US\$	General Ledger US\$	Variance US\$
Nov-20	COVID-19 testing fees	17	1,275	1,253	22
Dec-20		10,934	820,050	819,769	281
Jan-21		9,653	723,975	689,701	34,274
Feb-21		7,473	521,950	517,376	4,574
Mar-21		11,367	783,475	767,120	16,355
Apr-21		10,093	685,025	671,457	13,568
May-21		10,080	676,650	668,322	8,328
Jun-21		9,834	659,950	640,268	19,682
<b>Total</b>		<b>69,451</b>	<b>4,872,350</b>	<b>4,775,265</b>	<b>97,085</b>

1.1.2.5 Additionally, we observed there were some Government Officials, International and National Partners, other dignitaries and Security Officials that were exempted from payment of covid-19 testing fees. However, there exists no policy document to specify those to be exempted or documented procedures for the selection of beneficiaries for exemption of Covid-19 testing fees.

1.1.2.6 Further, Management provided no evidence of the listing for exempted individuals.

**Risk**

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

1.1.2.8 In the absence of documented procedures and policies, passengers could be arbitrarily exempted thereby denying government of the required revenue.

**Recommendation**

1.1.2.9 Management should develop, approve and operationalize a testing fee policy. The policy should include provision for exempted passengers.

1.1.2.10 Management should perform monthly revenue reconciliation: multiply number of passengers by approved rate (adjusting for exemption), compare same to revenue per the General Ledger and the bank statement.

1.1.2.11 Differences identified should be investigated and adjusted (where applicable) in a timely manner.



### Management's Response

- 1.1.2.12 *The variance of US\$63,370.46 derived from online payments made by passengers during the period under review. These payments were made using their respective VISA cards for which the passengers did not confirm these transactions with their respective banks; thus, denying the IMS due credits to her accounts (domicile bank). An email was sent on the data relating to these payments. As the mitigating mechanism to this, the IMS has instituted the following internal controls: (1) ensuring that all passengers pay cash on arrival; and (2) that reconciliation is done daily and monthly.*
- 1.1.2.13 *Furthermore, management observed that the variance of US\$97,085 was miscalculated by the auditors. Management did a re-computation using passengers' data, incoming and outgoing, and determined the actual variance of US\$64,459.36 instead of the US\$97,085. See attached analysis. The variance of US\$64,459.36 is as a result of passengers/travelers that were exempted as per the travel protocol. The IMS exempted travelers representing the Government of Liberia during official duties/assignments. Some of the travelers or group of travelers that were exempted were: Liberia National Teams, Executive advance security team, diplomats, Dubai Expo teams, volunteer health practitioners who came to conduct surgical works, students from COVID – 19 affected countries, and International medical volunteers and surgical medical teams supporting the MOH. Attached are evidence of some of the request for exemptions and the travel protocol for validation by the auditors.*
- 1.1.2.14 *There were existing protocols that allowed for exemptions and which the Minister utilized. However, we in the process of drafting a policy on exemptions for approval that compliments existing protocols.*

**Please see attached detailed analysis**

Disparity Analysis					
Month/year	Description	Total Passengers	Projected Revenue US \$	General Ledger US \$	Variance US\$
20-Nov	COVID-19 testing fees	17	1,275	1,275.00	0.00
20-Dec		10,934	784,025	769,444.50	14,580.50
21-Jan		9,653	711,300	705,497.10	5,802.90
21-Feb		7,573	529,450	517,825.00	11,625.00
21-Mar		11,369	783,575	777,762.50	5,812.50
21Apr		10,103	685,775	672,427.68	13,347.32
21-May		10,080	676,650	674,042.64	2,607.36
21-Jun		9,937	667,675	656,991.22	10,683.78
<b>Total</b>			<b>69,451</b>	<b>4,839,725.00</b>	<b>4,775,265.64</b>

### Auditor General's Position

- 1.1.2.15 We acknowledge Management's assertions and submission of the analysis.
- 1.1.2.16 Management should have adjusted the general ledger by the amounts that were not confirmed. Additionally, Management should submit all credit advice and other relevant supporting documents to the Office of the Auditor General for validation within 30 days after

the issuance of the AG’s Report to the National Legislature. This will ascertain the completeness, existence and accuracy of unconfirmed credit transactions as asserted by Management.

1.1.2.17 We also observed the following errors in Management’s disparity analysis:

- Management multiplied the number of passengers by US\$50 for ECOWAS passengers in November 2020, December 2020 and January 2021 in the analysis above; however, the amount of US\$75 was charged for both ECOWAS and Non-ECOWAS passengers for the three months stated above. The separation between ECOWAS and Non-ECOWAS started in February, 2021. This was also reflective on the bank statements. **Please see table below.**

#### Analysis of COVID-19 Testing Fees

Months	Number of ECOWAS Passengers	Number of Non-ECOWAS Passengers	Total Passengers	Amount per ECOWAS	Amount per Non-ECOWAS	Projected Revenue	General Ledger	Variance
	A	B	A+B	C=A*\$50	D=B*\$75	E=C+D	F	G=E-F
20-Nov	17	0	17	*	1,275	1,275	1,275	0
20-Dec	1,441	9,493	10,934	*	820,050	820,050	769,445	50,606
21-Jan	507	9,146	9,653	*	723,975	723,975	705,497	18,478
21-Feb	1,541	5,932	7,473	77,050	444,900	521,950	517,825	4,125
21-Mar	2,762	8,605	11,367	138,100	645,375	783,475	777,763	5,713
21-Apr	2,878	7,215	10,093	143,900	541,125	685,025	672,428	12,597
21-May	3,174	6,906	10,080	158,700	517,950	676,650	674,043	2,607
21-Jun	3,104	6,730	9,834	155,200	504,750	659,950	656,991	2,959
<b>Total</b>	<b>15,424</b>	<b>54,027</b>	<b>69,451</b>	<b>672,950</b>	<b>4,199,400</b>	<b>4,872,350</b>	<b>4,775,266</b>	<b>97,084</b>

\* For the months of November 2020, December 2020 and January 2021, passengers were charged US\$75 for COVID-19 testing fees.

1.1.2.18 Moreover, exemptions documents provided by Management were photocopies and decisions made were not consistent with approved policy. Thus, the decision was made on a discretionary basis.

1.1.2.19 Going forward, Management should ensure that all exemptions are consistent with approved policy. Management should also ensure that exemptions listings are attached to supporting documents including copies of passport of exempted passengers as required by the provision stated above. Management should also ensure that original copies are adequately documented and filed to facilitate future review.

### 1.1.3 Misstated Opening Cash Balances

#### Criteria

1.1.3.1 Paragraph 1.3.15 of the IPSAS cash basis (2017) requires all entities to present a statement

of cash receipts and payments which discloses beginning and closing cash balances of the entity, to cash receipts and total cash payments over the reporting period, and major sub-classification thereof. This will ensure that the financial statements provide comprehensive information about the cash balances of the entity and changes therein over the period in a format that is accessible and understandable to users.

### Observation

- 1.1.3.2 During the audit, we observed that the opening cash balances at July 1, 2020 did not reconcile to the prior period closing balance at June 30, 2020. **See Table 3 for details.**

**Table 3 Misstated Opening Cash Balances**

Account number	Description	Currency	Reported closing balance June 30, 2020	Reported opening balance July 1, 2020	Variance
322231	CBL 1602003969 GOL COVID-19 Response USD	USD	414,443.74	505,181.00	(90,737.26)
322232	CBL 1601003072GOL COVID-19 Response LRD	LRD	374,790.73	526,380.35	(151,589.62)
322110	CBL 1501008294GOL Ministry of Health Operations, LRD	LRD	(2,355.10)		(2,355.10)
322111	CBL 1502021904GOL Ministry of Health Operations, USD	USD	(2,407.78)		(2,407.78)
322234	UBA 53030030026161GOL COVID 19 RESPONSE ACCT LRD	LRD	-	399,121.98	(399,121.98)
322235	UBA 53030030026154 GOL COVID 19 RESPONSE ACCT USD	USD	-	583,480.00	(583,480.00)
<b>Total</b>			<b>784,471.59</b>	<b>2,014,163.33</b>	<b>(1,229,691.74)</b>

### Risk

- 1.1.3.3 The completeness & accuracy of the opening cash balance may not be assured.
- 1.1.3.4 Subsequent financial statements may be misstated.

### Recommendation

- 1.1.3.5 Financial statements prepared by junior personnel should be reviewed and approved by senior personnel to mitigate the risk of errors.
- 1.1.3.6 Going forward, Management should ensure that opening balance for the current fiscal period is reflective of the actual closing balance of the previous fiscal period.

### Management's Response

- 1.1.3.7 *Management acknowledges the observation. However, there were challenges faced during the inception of the Response in establishing and operationalizing the financial architecture of the IMS. Initial funding received for support of the Response were deposited into the consolidated accounts of the Ministry of Health during the previous period (February 2020 – June 2020). The comingling of funds made it difficult to timely and properly reconcile. Beginning July 1, 2020, the IMS instituted the required control measures with the creation of separate bank accounts for Response activities where reconciliation is done.*

### Auditor General's Position

- 1.1.3.8 We acknowledge Management's acceptance of our findings. We also acknowledge that funds were comingled with accounts of the Ministry of Health.
- 1.1.3.9 However, closing balances as at 1 July, 2020 for the COVID-19 Central Bank of Liberia (CBL) and United Bank of Africa (UBA) accounts belonging to the IMS differed from the opening balances as at July 1, 2020.
- 1.1.3.10 Further, Management did not disclose UBA accounts as at June 30, 2020. Therefore, Management should have adjusted the opening balances and provided disclosures to reflect the adjustments. Therefore, we maintain our finding and recommendation.

### 1.1.4 Discrepancy in amounts paid to Vendors

#### Criteria

- 1.1.4.1 Paragraph 1.3.27 of IPSAS Cash Basis (2017) requires that "financial statements shall present information that is:
- (a) Understandable;
  - (b) Relevant to the decision-making and accountability needs of users;
  - (c) A faithful representation of the cash receipts, cash payments and cash balances of the entity and the other information disclosed in the financial statement in that it is:
    - (i) Complete; (ii) Neutral and (iii) Free from material error;"

#### Observation

- 1.1.4.2 During the audit, we observe discrepancies between the amounts paid to Liberia Airport Authority and Mwetana Consulting Group per the General Ledger, Financial Statements and confirmations received from these vendors. **See table 4 below for details.**

**Table 4: Discrepancy in amounts paid to Vendors**

No.	Description	Report of the Deputy Incident Manager US\$ A	Ledger US\$ B	Confirmation received US\$ C	Variance US\$ D=A-B	Variance US\$ E=B-C
1	Amounts paid to Liberia Airport Authority (LAA)	730,520.00	789,721.18	989,533.18	(59,201.18)	(199,812.00)
2	Amounts paid to Mwetana Consulting Group	529,013.60	498,755.60	568,096.20	30,258.00	(69,340.60)
	<b>Total</b>	<b>1,259,533.60</b>	<b>1,288,476.78</b>	<b>1,557,629.38</b>	<b>(28,943.18)</b>	<b>(269,152.60)</b>

- 1.1.4.3 Additionally, the amount of US\$43,551.20 paid to Mwetana Consulting Group was recorded in the Ledger as \$4,355.20, giving a variance of US\$39,082.60.

1.1.4.4 We also observed that the tax calculated on Tuma Enterprise payment for the month of January 2021 exceeded the required 2% tax rate. **See table 5 below.**

**Table 5: Tax withheld from vendor**

	Gross amount	2% tax	Net amount
GAC reperformance	79,413.20	1,588.26	77,824.94
IMS	79,413.20	4,090.60	75,322.60
Variance	=	<b><u>(2,502.34)</u></b>	<b><u>2,502.34</u></b>

**Risk**

1.1.4.5 The completeness and accuracy of expenditures may not be assured; therefore, the financial statements may be misstated.

**Recommendation**

1.1.4.6 Management should perform periodic supplier reconciliation between general ledger, bank statement and supplier statements. Variances identified should be investigated and adjusted (where applicable) in a timely manner.

**Management's Response**

1.1.4.7 *The amount confirmed by the Liberia Airport Authority (LAA) consisted of her share of revenue generated from COVID testing fees and direct support received from the Government of Liberia through the Ministry of Health as Grant prior to the testing of passengers. While the IMS reported LAA's share of the COVID testing fee for the period of the audit.*

1.1.4.8 *The amount reported in the General Ledger is most accurate as it reflects actual payments made to the developer. Management was not privy to the details of the confirmation provided by the developer to the Auditors and as such, cannot further elaborate on the matter. However, we acknowledge the recommendation and will institute the appropriate corrective measures as required.*

**Auditor General's Position**

1.1.4.9 We acknowledge Management's acceptance of our findings and recommendations and subsequent submission of the revised general ledger and reconciliation reports.

**1.1.5 Misclassification of Transactions**

**Criteria**

1.1.5.1 Regulation A.3 of the Amended and Restated PFM Act 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 them, by the Minister.

### Observations

- 1.1.5.2 During the audit, we observed that payments totaling US\$85,000 to Crusader for Peace for responders were misclassified to Fuel and Lubricant. **See Table 6 below for details.**
- 1.1.5.3 We also observed that although expenditures in the financial statements are classified consistent with the Government of Liberia approved chart of accounts, the Incident Management System Budget for the period covering February 2020 – December 2021 are not classified consistent with the Government of Liberia approved chart of accounts. Expenditures were classified according to specific health pillars.

**Table 6: Misclassification of Transactions**

No.	Description	Amount US\$	Misclassified Accounts
1.	PAYMENT TO LIBERIA CRUSADERS FOR PEACE FOR 2500 ACTIVE CASE FINDERS AND CONTACT TRACERS	60,000	Fuel and Lubricant
	PAYMENT TO LIBERIA CRUSADERS FOR PEACE FOR THE PAYMENT OF THE REMAINING 2500 COVID 19 VOLUNTEERS...	25,000	Fuel and Lubricant
<b>Total</b>		<b>85,000</b>	

### Risk

- 1.1.5.4 Misclassification of transactions may result into improper reconciliation of budget versus actual analysis and impair fair presentation of the financial statements.
- 1.1.5.5 This may facilitate fraudulent financial reporting especially if the preparer of the financial statements intends to conceal over/under utilization of expenditures.

### Recommendation

- 1.1.5.6 Management should ensure that transactions are classified consistent with the approved chart of accounts.
- 1.1.5.7 In addition to the specific health budget, Management should prepare a reconciled budget in line with Government approved chart of accounts for understandability to other users.

### Management's Response

- 1.1.5.8 *Management acknowledges the observation and corrective measure will be taken. This was an error which was not recognized by senior personnel before the transactions appear in the general ledger. This will be validated from the Audit Recommendation Tracker during follow-up.*

### Auditor General's Position

- 1.1.5.9 We acknowledge Management's acceptance of our findings and recommendations. However, Management should adjust the misclassified transactions and subsequently restate the financial statements.
- 1.1.5.10 Management should also provide all relevant supporting documents (including contracts, payment vouchers, etc. to Crusaders for Peace) to the Office of the Auditor General for validation within 30 days upon issuance of the AG's Report to the National Legislature.

### 1.1.6 Non-Liquidation of Advances

#### Criteria

- 1.1.6.1 Section 9.1 of The COVID-19 Resource Management Emergency Standing Operating Procedures (ESOP) states that “for all response activities implemented in or out of Montserrat County, a full financial liquidation report must be submitted within two working days following the completion of disbursement”.

#### Observations

- 1.1.6.2 During the audit, we observed no evidence of retirement/liquidation report for expenditures amounting to US\$ 40,700.00, disbursed by the IMS to County Health Teams (CHT) for Covid-19 response preparedness, operations and human resource cost to validate the authenticity of the transactions. **See Table 7 for details.**

**Table 7: Non-Liquidation of Advances**

NO.	DATE	Voucher #	DESCRIPTION	AMOUNT US\$
1	6/28/2021	PV-00939	PAYMENT TO LOFA CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURCE COST	8,000.00
2	6/29/2021	PV-00942	PAYMENT TO NIMBA CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURCE ...	8,000.00
3	6/28/2021	PV-00934	PAYMENT TO GBARPOLU CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURC...	7,000.00
4	6/28/2021	PV-00935	PAYMENT TO GRAND BASSA CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURCE	7,000.00
5	6/29/2021	PV-00945	PAYMENT TO SINOE CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURCE ...	6,000.00
6	5/20/2021	PV-00841	PAYMENT TO GRAND BASSA CHT AS FEEDING AND HALL RANTAL FOR PARTICIPANTS TO REVIEW AND UPDATE/DEVELOPMENT	3,200.00
7	6/29/2021	PV-00944	PAYMENT TO RIVER GEE CHT COVERING COVID 19 COUNTY RESPONSE BUDGET FOR OPERATION AND HUMAN RESOURCE	1,500.00
<b>TOTAL</b>				<b>40,700.00</b>

#### Risk

- 1.1.6.3 Failure to prepare periodic liquidation report may lead to mismanagement of public funds.
- 1.1.6.4 This practice may lead to misstatement of expenditures in the financial statements.

#### Recommendation

- 1.1.6.5 Management should request liquidation reports of advance payments from subrecipients to

ensure that funds retired are adequately supported by original copies of receipts, activities reports and beneficiaries listing.

- 1.1.6.6 Evidence of liquidation reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.1.6.7 *Management has made significant progress in obtaining liquidation reports from counties and will submit them for the auditors' review and consideration. Management is applying continuous efforts in ensuring that all counties liquidate for the grants received as recommended by the auditors. See enclosed liquidation reports.*

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

- 1.1.6.8 We acknowledge Management submission of liquidation reports from counties which contain receipts, activities reports and beneficiaries listing in support of its assertions.
- 1.1.6.9 However, Management should account fully for all expenditure for which liquidation reports were not provided.
- 1.1.6.10 Management should ensure that all funds disbursed are adequately retired with all relevant supporting documents before replenishment of funds. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.
- 1.1.6.11 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions (in accounting software for financial transactions), archived and maintained to facilitate future review.

### **1.1.7 Transactions Without Adequate Supporting Documents-Payment Vouchers**

#### **Criteria**

- 1.1.7.1 Regulation P.9 (1 &2) of the Amended and Restated PFM Act 2019 states that "All disbursements or payments of public moneys shall be properly supported by pre-numbered payment vouchers. "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers"
- 1.1.7.2 Section 4.3 paragraph (5) of the IMS ESOP states, "The IMS Finance shall ensure that pre-numbered receipts, requests, vouchers and supporting documents for financial transactions are timely and properly done for the COVID-19. A recordkeeping system, manual and/or automated, shall be maintained for all payment requests, payments, donations (in cash and kind), and receipts for the COVID-19. Financial activities shall be summarized into relevant financial reports for submission to the DIM for Finance & Administration.



### Observation

- 1.1.7.3 During the audit, we observed no evidence of supporting documents such as payment vouchers and invoices for payments amounting to **US\$15,124.41** to validate legitimacy of the transactions. **See Table 9 for details.**

**Table 9: Payments without Supporting Documentation ( Payment Vouchers)**

NO.	Date	Description	Amount US\$
1	12/11/2020	PAYMENT TO HAIDD ELECTRONICS FOR THE SUPPLY AND DELIVERY OF OXYGEN CYLINDER AND REFILLING OF TAN...	3,700.00
2	8/29/2020	REIMBURSEMENT TO ANNETTE BEIKOR FOR CASH PAID TO GOLDEN KEY HOTEL FOR CATERING SERVICES	902.31
3	12/3/2020	PAYMENT TO MAERRSKLINE LIBERIA FOR DEMURRAGE CHARGES FOR THE CLEARING OF EIGHT CONTAINERS	1,020.00
4	3/9/2021	PAYMENT FOR ASSORTED MATERIALS TO SERVICE 500KVA FG-WILSON PERKINS GENERATOR AT THE 14 MILITARY ...	3,900.00
5	8/26/2020	Diesel Fuel for use by EPI- Surveillance-Lead (Incident Management System-COVID-19 Response)	700.00
6	9/1/2020	PAYMENT FOR ACCOMMODATION SERVICES RENDERED TO THE LOFA COUNTY HEALTH TEAM TO HOST THE HIGH-RISK CONTACTS	3,652.10
7	04/02/2021	PAYMENT FOR 1 LAPTOP FOR USED BY UNION STAFF FOR THE SMOOTH OPERATIONS OF THE CENTER	1,250.00
<b>TOTAL</b>			<b>15,124.41</b>

### Risk

- 1.1.7.4 The validity, existence and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.1.7.5 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods/processes.

### Recommendation

- 1.1.7.6 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations.
- 1.1.7.7 Evidence of supporting documents should be adequately documented and filed to facilitate future review.
- 1.1.7.8 Management should develop & operationalize the automated document management system.

### Management's Response

- 1.1.7.9 *Management acknowledges the recommendation and corrective measures will be taken. During the period under audit, there were challenges in moving documents from one end to another and re-filing documents. However, management has obtained a few of the supporting documents and will put in place proper archiving measures in order to retrieve documents for internal and external purposes.*

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

- 1.1.7.10 Management did not provide the relevant documentation to support its assertion. Therefore, Management should account for all transactions for which supporting documents were not provided during the audit.
- 1.1.7.11 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions (in accounting software for financial transactions), archived and maintained to facilitate future review.

### **1.1.8 Vouchers Number Not Included in the General Ledger**

#### **Criteria**

- 1.1.8.1 Page 8 of the COVID-19 Resource Management Emergency Standard Operating Procedures (ESOP) of April, 2020 states that "the IMS Finance shall ensure that pre-numbered receipts, requests, vouchers and supporting documents for financial transactions are timely and properly done for the COVID-19. A recordkeeping system, manual and/or automated, shall be maintained for all payment requests, payments, donations (in cash and kind), and receipts for the COVID-19. Financial activities shall be summarized into relevant financial reports for submission to the DIM for Finance & Administration." Also, Section 5.4 (m) Evidence of job completion for services and works shall be attached".
- 1.1.8.2 Regulations P.9 (1) and (2) of the Amended and Restated PFM Act 2019 states (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".

#### **Observation**

- 1.1.8.3 During the audit, we observed no corresponding voucher numbers for payment transactions recorded in the general ledger amounting to **US\$8,498,268.61**.

#### **Risk**

- 1.1.8.4 Failure to include voucher numbers in the ledger may impair easy referencing and tracking of transactions.

#### **Recommendation**

- 1.1.8.5 Management should include voucher numbers to all transactions recorded in the general ledger to facilitate easy referencing and tracking of transactions.

#### **Management's Response**

- 1.1.8.6 *Management acknowledges the observation and recommendation and appropriate measure will be taken in implementing the recommendation. This will be validated during follow-up.*

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

- 1.1.8.7 We acknowledge Management's acceptance of our finding and recommendation. We will make a follow-up during subsequent audit.
- 1.1.8.8 However, Management is in breached of financial discipline in line with Regulation A20 of the Amended and Restated PFM Act of 2019.

### **1.1.9 Procurement Irregularities**

#### **Criteria**

- 1.1.9.1 Section 55.1 (a, d) of the Public Procurement Commission (PPC) of 2005 as amended and restated in 2010 states that," by means of the sole source procurement method is permitted only in the following circumstances: (a) When only one (1) supplier has the exclusive right to manufacture the goods, carry out the works or perform the services to be procured and no suitable alternative is available; (d) In cases of extreme urgency, provided that the circumstances which gave rise to the urgency were neither foreseeable by the Procuring Entity nor the result of dilatory conduct on its part;"
- 1.1.9.2 Section 55.3 of the PPCC Act as amended and restated in 2010 states that, "Use of sole source procurement on any of the grounds referred to in subsection (1) of this Section 55 shall be subject to prior approval by the Commission. When requesting approval of a sole source procurement, the Procuring Entity shall provide the Commission with a statement of facts and reasons justifying use of the requested method under the applicable provision of such subsection (1)".

#### **Observation**

- 1.1.9.3 During the audit, we observed that Management awarded contracts for services to software developers without evidence of inclusion in the procurement plan.
- 1.1.9.4 In addition, there was no evidence of approval by the Public Procurement and Concession Commission for No objection for the selection of Tuma Enterprise and MWETANA Consulting & Technology Group, the software developers.

#### **Risk**

- 1.1.9.5 Awarding of service contracts that are not included in the Procurement Plan may lead to non-achievement of value for money.
- 1.1.9.6 Management may not be in compliance with the PPC Act and Regulations.

#### **Recommendation**

- 1.1.9.7 Management should facilitate the following
- full compliance with required provisions of PPC Act of 2005 as amended and restated in 2010
  - Usage of the required procurement method (where applicable)

### Management's Response

- 1.1.9.8 Management acknowledges the recommendation and corrective measures will be taken. The IMS remains engaged with the PPCC in ensuring that procurement processes are done in compliance with the PPC Act 2010 and its Regulations.
- 1.1.9.9 During the preparation of the initial procurement plan, the IMS did not envisage the procurement of the service of software developer in testing and tracking of inbound and outbound passengers, as well as sentinel surveillance (community testing). The usage of software developer has not been a routine procurement activity or line during health emergencies or pandemic as compared to planning for the procurement of fuel, scratch cards, medical supplies, etc. This came about during the height of the surge in Covid-19 cases that the IMS needed to track confirmed cases in real-time.

### Auditor General's Position

- 1.1.9.10 We acknowledge Management's acceptance of our findings and recommendations. However, Management should have obtained a 'No Objection' from the PPCC.
- 1.1.9.11 Going forward, Management should ensure that Section 55.1 (d) of the PPC Act is adhered for such services.

### 1.1.10 Procurement Without Delivery Notes

#### Criteria

- 1.1.10.1 Regulation P.9 (2) of the Amended and Restated PFM Act 2019 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers"

#### Observation

- 1.1.10.2 During the audit, we observed no evidence of delivery notes for several payments amounting to **US\$3,000.00** for equipment and assorted materials to validate the authenticity of the transactions and receipt of goods. **See Table 8 for details.**

**Table 8: Procurement without Delivery Notes**

NO.	Date	Voucher #	Description	Amount US\$
5	02/03/2021	PV-00728	PAYMENT FOR THE SUPPLY AND DELIVERY OF UPS BACKUP BATTERY FOR THE UNION TESTING CENTER	1,375.00
6	04/02/2021	PV-00661	PAYMENT FOR 1 LAPTOP FOR USED BY UNION STAFF FOR THE SMOOTH OPERATIONS OF THE CENTER	1,250.00
8	04/02/2021	PV-00665	PAYMENT OF AIR CONDITIONER AND PRINTER FOR COVID 19 AUDIT OFFICE	375.00
<b>TOTAL</b>				<b>3,000.00</b>

### **Risk**

- 1.1.10.3 Assets may be paid for but not delivered to the entity.
- 1.1.10.4 The lack of supporting documents may impair the authenticity of the transactions.

### **Recommendation**

- 1.1.10.5 All goods received should be inspected by an internal auditor, reconcile the purchase orders/vouchers to the delivery notes and subsequently authorize the goods received notes.
- 1.1.10.6 Delivery orders and goods received notes should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.1.10.7 *Management acknowledges the recommendations and has copies of delivery notes for transactions listed. Management will present copies for review.*

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

- 1.1.10.8 We acknowledge Management submission of some delivery notes in support of its assertions.
- 1.1.10.9 Management should account for all transactions for which delivery notes were not provided during the audit.
- 1.1.10.10 Going forward, Management should ensure that all goods received are duly accompanied by the relevant supporting documents including delivery notes. Also, Management should ensure information requested for audit purposes are submitted in a timely manner for review.

## **1.1.11 Irregularities Associated with Asset Management**

### **Criteria**

- 1.1.11.1 Regulation V.1 (2a) of the Amended and Restated PFM Act 2019 states: 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;
- 1.1.11.2 Additionally, the ESOP requires that the IMS Logistics shall document, physically verify and track goods and assets delivered and donated under the COVID-19. They shall do the same for services and works. They shall ensure that quality is attained in the delivery of goods and assets, and in service delivery and completion of works. They shall maintain accurate and up-to-date supply chain, inventory management and maintenance records, both manual and automated, on all logistics, services and works for COVID-19. They shall summarize all activities into relevant summaries and report to the IM.

### **Observation**

- 1.1.11.3 During the audit, we observed the following irregularities associated with the fixed assets management system.
- A vehicle (mini bus) procured for US\$35,000.00 during the period was not

recorded in the Fixed Asset Register.

- The Fixed Asset Register indicated Nine (9) tablets; however, physical verification exercise revealed the amount of Fourteen (14) tablets. Some of the tablets were not coded
- Fixed assets in the possession of the Executive Committee on Coronavirus (ECOC) in Liberia were not included in the Fixed Assets Register submitted by Management and not disclosed in the financial statements.
- The fixed assets register does not reflect the cost, code, and condition of the assets.
- There was no capitalization policy.

### **Risk**

1.1.11.4 Fixed assets may be removed from the entity's premises without authorization, misappropriated and subjected to personal use or theft.

1.1.11.5 Fixed assets may be impaired missing or damaged without Management awareness.

### **Recommendation**

- 1.1.11.6 Management should expedite the following to facilitate effective fixed assets management:
- Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity (including the determine of the capitalization threshold)
  - Management should ensure that the fixed assets register is updated to reflect the following: description, date of acquisition, class, code, location, condition, cost, depreciation expense, accumulated depreciation expense and net book value
  - 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.
  - The fixed assets register should be updated periodically to reflect all entity's assets.
  - Fixed assets within a particular vicinity should be clearly listed and displayed

### **Management's Response**

1.1.11.7 *Management acknowledges the recommendation and corrective measures will be taken. The vehicle (mini bus) procured during the period has been recorded in the Fixed Asset Register which will be submitted for the auditors' validation. Currently, the MOH and NPHIL are developing fixed asset management policy to regulate fixed assets activities of the IMS.*

1.1.11.8 Furthermore, the tablets have been coded and will be presented to the auditors for physical verification.

### Auditor General’s Position

1.1.11.9 We acknowledge Management submission of the revised IMS Fixed Asset Register and the coded tablets in support of its assertions. However, the revised IMS Fixed Asset Register does not include Fixed Assets in the possession of the Executive Committee on Coronavirus (ECOC) in Liberia.

1.1.11.10 Management should ensure that all assets belonging to the IMS COVID-19 Response are brought into the consolidated Fixed Asset Register.

### 1.1.12 Non-Disclosure of In-Kind Donations

#### Criteria

1.1.12.1 Regulations G.3 (D) of the Amended and Restated PFM Act 2019 states that “Where loans, grants and donations are receivable in kind, the value of such donations shall be determined and included in the estimates and reflected as expenditure in the financial year”.

1.1.12.2 Part 2, Paragraphs 2.1.100 and 2.1.102 of IPSAS cash basis (2017) states that, “An entity is encouraged to disclose separately in the notes to the financial statements the value of assistance received during the period in the form of goods or service, and the basis on which that value is determined. Disclosure of the value of assistance received as goods and services during the reporting period will assist readers of the financial statements to better understand the full extent of assistance received during the reporting period.

#### Observation

1.1.12.3 During the audit, we observed that a number of International and National Partners made in-kind donations towards the fight against COVID-19 that were not disclosed in the fixed assets register and financial statements.

1.1.12.4 Further, we received a list of fixed assets/inventory from the National Reference Lab (NRL) and General Services Agency (GSA) for various items donated by organizations without evidence of estimated cost and subsequent disclosure in the financial statements. **See table 10 and annexure 1.**

**Table 10: Non-disclosure of In-kind Donations**

Description	General Services Agency	National Reference Laboratory	Total
Computers	17	3	20
SD Biosensor	0	2	2
Fast PCR System	0	1	1
Thermal Light Cyler	0	2	2
GeneXpert Machine	0	1	1
Sterilizer	0	1	1
Water Dispenser	0	1	1

Description	General Services Agency	National Reference Laboratory	Total
Semi-Executive Chair	12	0	12
Conference Table	2	0	2
White Board	2	0	2
Flip Chard board	2	0	2
Workstation	9	0	9
Printer	4	0	4
Air-conditioner	3	19	22
Copy Machine	3	0	3
<b>Total items</b>	<b>54</b>	<b>30</b>	<b>84</b>

### Risk

- 1.1.12.5 The non-disclosure of donated items in the notes to the financial statements may impair fair presentation and informed financial and economic decision making.

### Recommendation

- 1.1.12.6 Management should account for all donated assets.
- 1.1.12.7 All assets donated should be fully recorded in the fixed assets register and subsequently disclosed in the financial statements to facilitate fair presentation and full disclosure.

### Management's Response

- 1.1.12.8 *Management acknowledges the observation and recommendation, and will ensure that going forward, donated items will be given estimated cost. Management has found it difficult in convincing partners and donors to share with her information on cost of donated items.*

### Auditor General's Position

- 1.1.12.9 We acknowledge Management's acceptance of our findings and recommendations. We will make a follow-up during subsequent audit.
- 1.1.12.10 However, Management should account for all donated assets which were not recorded in the fixed assets register and fully disclosed in the financial statements.

## 1.1.13 Incentives Payment to IMS Personnel

### Criteria

- 1.1.13.1 Section 5.1 of the Emergency Standard Operating Procedures (ESOP) states that 'The Health Sector through the IMS and collaborating GOL ministries and agencies shall be required to utilize existing human resource capacities as surge team for preparation, response and recovery. In circumstances where there is a need to hire outside of the GOL workforce, said need shall originate from the pillar heads for onward submission through the DIM for Finance & Administration to the IM for approval or his/her designee'.
- 1.1.13.2 Individuals working on the response and recovery shall be incentivized on a monthly basis in amounts consistent with Table 1 in the Annex of this ESOP.



### **Observation**

- 1.1.13.3 During the audit, we observed that there was no disclosure of employment status (government and non-government employees) of individuals on the response on the incentive payroll.
- 1.1.13.4 Consequently, determination of the requisite incentive payment per approved rate could not be ascertained.

### **Risk**

- 1.1.13.5 The non-disclosure of employment status on the COVID-19 responders' payroll may lead to over/underpayment of incentives.

### **Recommendation**

- 1.1.13.6 Management should ensure that the employment status of all responders should fully disclosed on the incentive payroll to ascertain the accuracy of responder's incentives.

### **Management's Response**

- 1.1.13.7 *Management acknowledges the observation and recommendation. Management has a personnel list that includes highlight the various categories of personnel. However, going forward, the IMS will include the various categories of personnel on its payroll.*

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

- 1.1.13.8 We acknowledge Management's acceptance of our findings and recommendations. We will make a follow-up during subsequent audit.

## **1.1.14 Outstanding Commitments**

### **Criteria**

- 1.1.14.1 Part 2, Paragraph 1.3.33 of the IPSAS cash basis (2017) as adopted by the Government of Liberia in 2017, encourages the disclosure of additional information in notes to the financial statements. Where such disclosures are made, they will need to be understandable and to satisfy the other qualitative characteristics of financial information.

### **Observation**

- 1.1.14.2 During the audit, we observed no disclosure in the notes to the financial statements for commitments to various contractors and vendors; for example, share of revenue to Mwetana and Tuma in the amount of US\$42,040 and US\$27,686.53 respectively for the period June 16-30, 2021.

### **Risk**

- 1.1.14.3 The non-disclosure of outstanding commitments may deny users the required information needed for financial and economic decision making and the financial statements may not be fairly presented.

### **Recommendation**

- 1.1.14.4 Management should disclose in the notes to the financial statements, commitments made

against vendors for the period. This will ensure proper planning for uncommitted balance for the period.

### **Management's Response**

- 1.1.14.5 *The observation and recommendation are noted. Going forward appropriate actions will be taken. As IPSAS encourages the disclosure of additional information in notes to the financial statements, management will ensure to compliance.*

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

- 1.1.14.6 We acknowledge Management's acceptance of our findings and recommendations. We will make a follow-up during subsequent audit.

## **1.2 Administrative Issues**

### **1.2.1 Risk Assessment Process**

#### **Criteria**

- 1.2.1.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

#### **Observation**

- 1.2.1.2 During the audit, we observed no evidence that Management had developed a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.

#### **Risk**

- 1.2.1.3 The absence of a risk management policy may lead to management not being aware of potential risks that may impair the achievement of the entity's objectives.
- 1.2.1.4 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby impairing the achievement of the entity's objectives.

#### **Recommendation**

- 1.2.1.5 Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.
- 1.2.1.6 Evidence of periodic risk assessment should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.2.1.7 *Recommendation acknowledged and corrective actions will be taken. The IMS compliance team has developed a Risk Management Policy to guide internal and external risks and serve as working tools for risk assessment. The document is with the policymakers for review and subsequent approval. Management will be pleased to share a draft of the risk policy.*

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

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

## **1.2.2 No Internal Audit Report**

### **Criteria**

- 1.2.2.1 Regulation J3 of the PFM Act of 2009 requires that the Internal audit units shall carry out internal audit of its institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 2019.

### **Observation**

- 1.2.2.2 During the audit, we observed no evidence of internal audit reports on the activities of the Incident Management System (IMS) COVID-19 Response.

### **Risk**

- 1.2.2.3 Systems, controls and compliance activities may not be monitored and addressed, thereby impairing the achievement of the institution's objectives.

### **Recommendation**

- 1.2.2.4 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of audits and issuance of reports.
- 1.2.2.5 Periodic Internal Audit Reports should be adequately documented and filed to facilitate future review.

### **Management Response**

- 1.2.2.6 *Management acknowledges the recommendation and will ensure full compliance.*

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

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

## **ANNEXURES**

**Annexure 1 - Public Health Reference Laboratory  
Fixed Assets Register**

Items	Name	Model	Color	S/N	Value	Quantity	Assigned to	Dept./Location	Condition	Year of Purchase	CODES
Air conditioner	Rexel	TCL	White	340B76715030A260130031	350.00	1	Fahn Tarweh	Admin Office	Good	2001	IMS-NPHRL-EQPMT-1015
Laptop	Lenovo	Thinkpad	Black	20NX-002FUE PC-IFCSZA 20/30	1,550.00	1	Fahn Tarweh	Admin Office	Good	2001	IMS-NPHRL-EQPMT-1029
Laptop	Lenovo	Thinkpad	Black	20RA-008 6UE PF2DDANX 20/70	1,550.00	1	Fahn Tarweh	Admin Office	Good	2001	IMS-NPHRL-EQPMT-1030
Laptop	Lenovo	Thinkpad	Black	20RA-008 5UA PF-2DRA4Z 20/07	1,550.00	1	Fahn Tarweh	Admin Office	Good	2001	IMS-NPHRL-EQPMT-1031
Air Conditioner	Samsung	N/A	White	BCTSP8FM600288A	350.00	1	Fahn Tarweh	Mini Freezer RM	Good	2001	IMS-NPHRL-EQPMT-1000
SD Biosensor	F2400 Analyzer	N/A	Blue	FA24C02AA0571	15,600.00	1	Fahn Tarweh	Mini Freezer RM	Good	2001	IMS-NPHRL-EQPMT-1001
SD Biosensor	F2400 Analyzer	N/A	Blue	FA24C01AA0669	15,600.00	1	Fahn Tarweh	Mini Freezer RM	Good	2001	IMS-NPHRL-EQPMT-1002
Air Conditioner	Samsung	N/A	White	BCTSP8FM600228T	350.00	1	Fahn Tarweh	PCR Room	Good	2001	IMS-NPHRL-EQPMT-1003
Air Conditioner	Samsung	N/A	White	BCTSP8FM600258R	350.00	1	Fahn Tarweh	Master-mix Room	Good	2001	IMS-NPHRL-EQPMT-1004
Fast PCR System	Applied Biosystems	N/A	Grey	2750108912	1,900.00	1	Fahn Tarweh	Master-mix Room	Good	2001	IMS-NPHRL-EQPMT-1005
Thermal Light Cycler	Roche	N/A	White	32212	27,000.00	1	Fahn Tarweh	Master-mix Room	Good	2001	IMS-NPHRL-EQPMT-1007
Thermal Light Cycler	Roche	N/A	White	31737	27,000.00	1	Fahn Tarweh	Master-mix Room	Good	2001	IMS-NPHRL-EQPMT-1008
GeneXpert Machine	Cepheid	N/A	White	846841	17,000.00	1	Fahn Tarweh	Master-mix Room	Good	2001	IMS-NPHRL-EQPMT-1009
Air Conditioner	Samsung	n/a	White	BCTSP8FM600287T	350.00	1	Fahn Tarweh	Extraction Room	Good	2001	IMS-NPHRL-EQPMT-1010
Air Conditioner	Samsung	n	White	BCTSP8FM600253P	350.00	1	Fahn Tarweh	Extraction Room	Good	2001	IMS-NPHRL-EQPMT-1011
Sterilizer	Nuve	NC 40M (Y)	White	2.0611	10,500.00	1	Fahn Tarweh	Extraction Room	Good	2001	IMS-NPHRL-EQPMT-1012

Management Letter on the  
Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
For the Period July 1, 2020 to June 30, 2021

Items	Name	Model	Color	S/N	Value	Quantity	Assigned to	Dept./Location	Condition	Year of Purchase	CODES
Air Conditioner	Chigo	N/A	White	JAA0GBGC177302001679	350.00	1	Fahn Tarweh	Technical Staff RM	Good	2001	IMS-NPHRL-EQPMT-1013
Water Dispenser	LRC	N/A	White	N/A	225.00	1	Fahn Tarweh	Technical Staff RM	Good	2001	IMS-NPHRL-EQPMT-1014
Air Conditioner	REXEL	N/A	White	340B76715030A260130020	350.00	1	Fahn Tarweh	Specimen Collection	Good	2001	IMS-NPHRL-EQPMT-1022
Air Conditioner	TCL	N/A	White	FA24C01AA0669	300.00	1	Fahn Tarweh	Power Room	Good	2001	IMS-NPHRL-EQPMT-1028
Air Conditioner	Samsung	N/A	White	BCTSP8FM600270L	300.00	1	Fahn Tarweh	Bacteriology Lab	Good	2001	IMS-NPHRL-EQPMT-1023
Air Conditioner	Samsung	N/A	White	BCTSP8FM600260J	350.00	1	Fahn Tarweh	Bacteriology Lab	Good	2001	IMS-NPHRL-EQPMT-1025
Air Conditioner	Rexel	N/A	White	BCTSP8FM600282H	300.00	1	Fahn Tarweh	Bacteriology Lab	Good	2001	IMS-NPHRL-EQPMT-1024
Air Conditioner	Hisense	N/A	White	BCTSP8FM600266P	300.00	1	Fahn Tarweh	Bacteriology Lab	Good	2001	IMS-NPHRL-EQPMT-1026
Air conditioner	Samsung	N/A	White	BCTSP8FM600241F	350.00	1	Fahn Tarweh	Main Freezer RM	Good	2001	IMS-NPHRL-EQPMT-1027
Air conditioner	Samsung	N/A	White	BCTSP8FM600269K	350.00	1	Fahn Tarweh	Serology Lab	Good	2001	IMS-NPHRL-EQPMT-1016
Air conditioner	Samsung	N/A	White	BCTSP8FM600282H	350.00	1	Fahn Tarweh	Serology Lab	Good	2001	IMS-NPHRL-EQPMT-1017
Air conditioner	Samsung	N/A	White	BCTSP8FM600266P	350.00	1	Fahn Tarweh	Serology Lab	Good	2001	IMS-NPHRL-EQPMT-1018
Air conditioner	Samsung	N/A	White	BCTSP8FM600241F	350.00	1	Fahn Tarweh	Serology Lab	Good	2001	IMS-NPHRL-EQPMT-1021
Air conditioner	Samsung	N/A	White	BCTSP8FM600281X	350.00	1	Fahn Tarweh	Serology Lab	Good	2001	IMS-NPHRL-EQPMT-1020

Management Letter on the  
Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
For the Period July 1, 2020 to June 30, 2021

EXECUTIVE COMMITTEE ON CORONAVIRUS IN LIBERIA  
FIXED ASSET INVENTORY - GENERAL SERVICES AGENCY - MAY 2020

NATIONAL COORDINATOR OFFICE													
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION	
1	COVID-19/MS/P/297/001	HP Laserjet Printerr	Color Laserjet pro. MFP-M477fdw	HP	N/A	M477FDW	N/A	N/A	Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good	
2	COVID-19/MS/MLT/297/002	Dell Laptop	Inspiron 11	DELL	CN-0907RF-W5C00-976-00CN	N/A	N/A	N/A	Eunice Gardner	National Coordinator Office	Hon. Mary T. Broh	Good	
3	COVID-19/MS/MLCD/297/003								Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good	
SUPPORT STAFF OFFICE													
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION	
4	COVID-19/MS/SEC/420/001	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
5	COVID-19/MS/SEC/420/002	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
6	COVID-19/MS/SEC/420/003	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
7	COVID-19/MS/SEC/420/004	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
8	COVID-19/MS/SEC/420/005	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
9	COVID-19/MS/SEC/420/006	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
10	COVID-19/MS/SEC/420/007	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
11	COVID-19/MS/SEC/420/008	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
12	COVID-19/MS/SEC/420/009	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
13	COVID-19/MS/SEC/420/010	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
14	COVID-19/MS/EC/420/011	Executive Chair	Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
15	COVID-19/MS/EC/420/012	Executive Chair	Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
16	COVID-19/MS/CT/420/001	Conference Table	Conference	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
17	COVID-19/MS/CT/420/002	Conference Table	Conference	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
18	COVID-19/MS/WB/420/001	White board	White	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
19	COVID-19/MS/WB/420/002	White board	White	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
20	COVID-19/MS/FB/420/001	Flip Chart board	Flip	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
21	COVID-19/MS/FB/420/002	Flip Chart board	Flip	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
22	COVID-19/MS/P/297/002	HP laserjet Printer	Color laserjet pro. MFP-M477fdw	HP	N/A	M477FDW	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
23	COVID-19/MS/WS/420/001	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good	
COMPLIANCE OFFICE													
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION	
24	COVID-19/MS/WS/420/002	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
25	COVID-19/MS/WS/420/003	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
26	COVID-19/MS/WS/420/004	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
27	COVID-19/MS/WS/420/005	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
28	COVID-19/MS/WS/420/006	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
29	COVID-19/MS/WS/420/007	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good	
30	COVID-19/MS/AC/031/001	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Compliance Officer Office	COVID	Good	
31	COVID-19/MS/AC/031/002	Air Conditioner	Split Unit	MIDEA	64217164570591230810 012	MSMA-18CR	N/A	18,000		Compliance Officer Office	COVID	Good	
32	COVID-19/MS/AC/031/003	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Hallway	COVID	Good	
33	COVID-19/MS/WS/420/008	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway		Good	
34	COVID-19/MS/WS/420/009	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway		Good	

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Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

LOGISTICS OFFICE												
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
35	COVID-19/IMS/P/297/003	Cannon Printer	3 IN 1	Cannon	WUK30869	MF631CN	2018	N/A		LOGISTICS OFFICE		Good
36	COVID-19/IMS/MLT/297/001	HP Laptop	Intel i5-ra01nia	HP	CND939477C	N/A	N/A	N/A			WORLD Lebanese Culture UNION	Good
37	COVID-19/IMS/P/297/004	HP Printer	Color Laserjet ProMFP M180n	HP	VNC4127611	N/A	2018	N/A			WORLD Lebanese Culture UNION	Good
NO	GSA CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL#	MODEL	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
38	COVID-19/IMS/MLT/297/006	Computer	Laptop	HP	5CG02136F7	7KK40UT#ABA	2020	N/A	Hon. William B. Dakel	DDG/A Office	COVID-19	New
39	COVID-19/IMS/MLT/297/007	Computer	Laptop	HP	5CG0208BFO	7KK13UT#ABA	2020	N/A	Johnson B. Sloan	Procurement	COVID-19	New
40	COVID-19/IMS/MLT/297/008	Computer	Laptop	HP	5CG0167BQP	7KK40UT#ABA	2020	N/A	Lucky B. Payne	Finance	COVID-19	New
41	COVID-19/IMS/MLT/297/009	Computer	Laptop	HP	5CG0167COL	7KK40UT#ABA	2020	N/A	Omega Brown	P. Logistics	COVID-19	New
42	COVID-19/IMS/CM/800/001	Copy machine	3-in-1	HP	VNH6600480	G3Q60A	2018	N/A	Smith D. KumeH	PBM	COVID-19	New
43	COVID-19/IMS/CM/800/002	Copy machine	3-in-1	HP	VNF3F45769	G3Q60A	2018	N/A	Franco Dutor	FLEET	COVID-19	New
44	COVID-19/IMS/CM/800/003	Copy machine	3-in-1	HP	VNH6600054	G3Q60A	2018	N/A	Lucky B. Payne	Finance	COVID-19	New
45	COVID-19/IMS/MLCD/297/004	Computer	2-in-1(Destop)	HP	8CC0120LVR	3VA38EA#BH5	2018	N/A	Lucky B. Payne	Finance	COVID-19	New
46	COVID-19/IMS/K/297/004	Computer	Keyboard	HP	BGCAFA0A9HDH1EX	697737-L32	2018	N/A	Lucky B. Payne	Finance	COVID-19	New
47	COVID-19/IMS/MLCD/297/003	Computer	2-in-1(Destop)	HP	8CC0120N7M	3VA38EA#BH5	2018	N/A	Franco Dutor	FLEET	COVID-19	New
48	COVID-19/IMS/K/297/003	Computer	Keyboard	HP	BGCAFA0A9HDH1FH	697737-L32	2018	N/A	Franco Dutor	FLEET	COVID-19	New
49	COVID-19/IMS/MLCD/297/005	Computer	2-in-1(Destop)	HP	8CC0120LWY	3VA38EA#BH5	2018	N/A	Kezelee P. Johnson	MIS	COVID-19	New
50	COVID-19/IMS/K/297/005	Computer	Keyboard	HP	BGCAFA0A9HDH1EG	697737-L32	2018	N/A	Kezelee P. Johnson	MIS	COVID-19	New
51	COVID-19/IMS/MLCD/297/006	Computer	2-in-1(Destop)	HP	8CC0120LS3	3VA38EA#BH5	2018	N/A	Smith D. KumeH	PBM	COVID-19	New
52	COVID-19/IMS/K/297/006	Computer	Keyboard	HP	BGCAFA0A9HDH1EG	697737-L32	2018	N/A	Smith D. KumeH	PBM	COVID-19	New
53	COVID-19/IMS/MLCD/297/007	Computer	2-in-1(Destop)	HP	8CC0120LLN	3VA38EA#BH5	2018	N/A	Johnson B. Sloan	Procurement	COVID-19	New
54	COVID-19/IMS/K/297/007	Computer	Keyboard	HP	BGCAFA0A9HDH1ED	697737-L32	2018	N/A	Johnson B. Sloan	Procurement	COVID-19	New

NB





**Recommendation Tracker of the Financial Statements Audit of the Incident Management System Response, February 2020 - June 2020**

No	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
1	COVID-19 Budget Allocation	Management should provide reasons for the variance between the approved budget and the fiscal outturn report.	1.1.1.9 - 1.1.1.14	<p>Management noted, but wishes to clarify, that she did not receive funds from the Government of Liberia through the National budget or whatever sources for those entities listed above.</p> <p>Additionally, the IMS did not make budgetary allocation for the entities above. As you have rightly referenced the recast budget passed by the National Legislature, the IMS as had no part to play in national recast budget allocation, and subsequent appropriation of resources to entities.</p> <p>On another note, the World Bank did manage her resources committed to support</p>	<p>Management did not adequately address the issue. The Incident Management System (IMS) was set up to have oversight of all COVID-19 funds and report on such to the National Coordinator of ECOC. All COVID-19 fund should be channeled through the IMS. As such, the IMS should also be responsible for the US\$32,770,000 that was budgeted for the COVID-19 Response.</p> <p>Disclosure of information about such matters and the source of funding will enhance transparency and accountability of financial reporting. These disclosures will also facilitate more informed analysis and assessments of the entity's current cash resources. Therefore, we maintain our recommendation and</p>	<b>Recommendation implemented.</b>	Management did follow up with the GOL to ascertain on other disbursements made to entities for the fight against COVID. Those follow-ups were also made for proper disclosures and to facilitate informed assessments of the IMS current cash resources.	Routine follow-up to collect liquidation report are being made to those entities receiving GOL support to fight covid-19.

Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				the Covid – 19 Response. What the IMS did manage under the Covid – 19 Response, is what she has indicated in the financial statement covering the period of this audit.	management should be held accountable.			
2	Financial Statements	The Incident Management System (IMS) should ensure that all its financial statements are fairly presented.	1.1.2.6 - 1.1.2.9	The recommendation is well noted, as we have attached the revised financial statement(s) for the period that meets IPSAS requirements. Due to the emergency nature of the Response and the need to provide logistics and services to health workers, we were in an unprecedented situation of meeting these demands and at the same time ensuring that funds received were properly accounted for and reported in line with the ESOP	We acknowledge Management's acceptance of our finding. Although Management attached a revised financial statement(s) for the period under audit, the revised financial is unsatisfactory. The acceptance of the revised statements requires that the audit restarts.  We must point out that the statements presented were not signed. Regulation C.8(1) and (3b) states that "(1) A head of a government agency or spending unit shall be personally and pecuniary responsible to Legislature for the use of	<b>Recommendation implemented.</b>	The Financial Statement that is being used for the on-going audit is in line with acceptable standards. Also, the statement was signed by the relevant stakeholders on the IMS.	<b>None</b>

Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				and relevant laws, regulations and standards. We have an accounting system that properly records and reports financial activities for the Response which also supports the IPSAS standards.	funds under their control. (3b) Without limiting the generality of sub regulation (1) and (2), a head of agency or spending unit shall: manage and operate the agency's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business". We therefore maintain our recommendation.			
3	Funding Discrepancies per Financial Statements	Management should provide reasons for variances in government funding to the fight against the COVID-19 pandemic.	1.1.3.8 - 1.1.3.15	The Financial statement is not misstated and incomplete, as asserted. The US\$ 998,214.15 variance is as a result of the US\$ 1,000,000 received from the GOL. The funds were received after the auditing period and with no expenditure made against said amount for the period under	The IMS Management did not address the issue raised. The findings of the GAC are consistent with the fact presented in the financial statements provided by the COVID-19 Response Management for the audit. The analyses by the GAC were performed from the financial statements presented.  Further, the confirmation received from United Bank for Africa (UBA) Gol	<b>Recommendation noted and implemented</b>	Management has incorporated and disclose all COVID - 19 accounts operated and managed by the IMS.	None

Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				<p>audit.</p> <p>You will agree with us that the marginal difference (1,785.85) between the US\$ 998,214.15 is as a result of the foreign exchange rate applied. Additionally, the amount per financial statement presented to you is not 3,760,513.42. instead, it is US\$ 3,929,509.07.</p> <p>On the issue of MFD schedule not showing 900,000, the IMS has been opened in ensuring that all funds disbursed by MFD, were either transferred to or deposited into the accounts operated by her. We ask your patience in following up with MFD to validate those figures seen in our bank</p>	<p>Covid-19 Account showed that US\$600,000 and L\$79,491,255, (the equivalent of US\$1,000,000), were deposited in UBA US\$ and L\$ accounts respectively (Trans date – 25 Jun-2020, Value date –30 Jun-2020).</p> <p>We maintain that the Financial Statements presented for audit reported the receipts Controlled by Entity as US\$3,760,513.42 (Receipts-GoL – US\$ 3,550,513.42 and receipts –others – US\$210,000) while the amount per general ledger was US\$3,929,509.07.</p> <p>Therefore, the Management should be held accountable for the bridge of financial discipline per A. 20 of the PFM Regulations Act of 2009.</p>			



Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				statements.				
4	In-Kind Donations	<p>The IMS should account for all goods and services donated and expensed on COVID-19 activities</p> <p>Management should provide material justification for failing to provide the costs of assets/inventories donated to the Covid-19 Response.</p>	1.1.4.7 - 1.1.4.11	<p>The costs of donated items are being recorded for completeness and accuracy and the revised and signed listing will be submitted for your review. As stated in the first and third responses, activities at the start of the Response were done simultaneously considering the emergency nature of the Response as the result of the daily increase in cases. Items were being donated by several persons and organizations at the same time and then recorded and immediately distributed or used as demands were high. So, a system was later set up to record and track donated</p>	<p>Management's assertions are not materially supported. This is not the first time an Incident Management System was set up by the Government of Liberia to respond to "virus of mass destruction". The Corona Virus IMS should have leveraged the architecture established during the Ebola Virus Disease to manage the COVID-19 Response. Therefore, the emergency nature of COVID-19 should not be an excuse for not meeting the Cash basis IPSAS financial reporting framework.</p> <p>We acknowledge the acceptance of our finding and recommendation by the COVID-19 Response Management. We will make a follow up on the Management's assertion in subsequent audit of the Incident Management</p>	<b>Recommendation noted and implemented</b>	The fixed assets register covering the period of the audit currently conducted includes cost of all fixed assets.	Follow-up are still being made to collect information on donated assets from GSA and others



Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				items.	System (IMS).			
5	Disclosures and Notes to the Financial Statements	The Incident Management System (IMS) should ensure that all its financial statements are complete and fairly presented and variances are properly disclosed in the notes.	1.1.5.10 - 1.1.5.14	Management note your observation and has revised the financial statement that is representative of the IPSAS standards. Please see the attached revised Financial Statement.	<p>The findings of the GAC are consistent with the fact presented in the financial statements provided by the COVID-19 Response Management for the audit. The analyses by the GAC were performed from those financial statements.</p> <p>The 'revised financial statement' referred to in the Management's Response were not signed; we therefore maintain our findings and strongly recommend that preparation of complete and accurate financial statements are management's responsibility.</p> <p>Therefore, the financial statements presented by the Management of the COVID-19 Response do not reflect the true activities of the Incident Management System</p>	<b>Recommendation implemented</b>	Financial statements presented for the audit currently being conducted was signed by the relevant authorities.	<b>None</b>



Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
6	Comingling of COVID-19 Funds	<p>The Incident Management System should discontinue the use of the MOH operational account for COVID-19 funds</p> <p>The IMS should provide justification for the use of the MOH operational accounts.</p>	1.1.6.5 - 1.1.6.10	<p>At the start of the Response, there was no operational account maintained for Response activities. This was due primarily to the emergency nature of the Response with the first case announced on March 16, 2020. The setting up of the first IMS and appropriate operating and financial systems were being done at the same time funds were committed and provided by the Government and through cash donations.</p> <p>These activities were simultaneously done while the demands of responding to new cases of COVID were overwhelming the IMS. With the existing systems in place at</p>	We acknowledge Management's acceptance of our finding. However, no formal instructions authorizing the CBL to credit MOH operational accounts were provided to the auditors.	<b>Observations noted and corrective actions taken</b>	<b>The IMS as established separate accounts for each and every operations following the last audit. No co-mingling of is currently being done by the IMS.</b>	<b>None</b>



Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				<p>both the Ministry of Health and NPHIL and the level of collaboration between the two entities, we saw the need for the Ministry to maintain the initial funds received in one of its special or operational accounts while the process of opening bank accounts dedicated to the COVID Response was being expedited.</p> <p>The first account was opened in May 2020 at the Central Bank and subsequent accounts were opened going forward. The ESOP was finalized and approved in March 2020; hence, we will do all in our reach to meet up with ESOP as we have adjusted within these periods of Covid-19 first</p>				





Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				advent which was so overwhelming at the time to carry on such adjustment as provided by the ESOP.				
<b>7</b>	Undisclosed Bank Balances	Management should provide substantive justification for not disclosing the above-mentioned bank accounts.	1.1.7.6 - 1.1.7.11	<p>The two (2) accounts mentioned were opened at the UBA in late June 2020 due to the Covid-19 tirades which began so charged with responding to the cases thus, causing Management to lately opened such account in June of 2020.</p> <p>We had taught that this was outside the audit period as it was within the emergency periods which made it arduous to expedite the opening of accounts at the time. Funds transferred to this account was done on the last day of June and all expenditures were</p>	<p>Management's assertion is not materially supported. The cutoff period for the audit was June 30, 2020 which was communicated to Management. Section 1.3.27 (c) of Reporting under the Cash Basis of Accounting, requires that financial statements should present information that is a faithful representation of the cash receipts, cash payments and cash balances of the entity and other information disclosed in the financial statements in that it is complete and free from material error.</p> <p>It is the responsibility of the Management of the COVID-19 Response to present financial</p>	<b>Observations noted and corrective actions taken</b>	<b>All bank balances are disclosed in the Financial Statement (July 2020 - June 2021) presented to the GAC</b>	<b>None</b>



Management Letter on the  
 Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response  
 For the Period July 1, 2020 to June 30, 2021

No .	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
				<p>done in the months after and said months are not part of the audit period. However, documents and vouchers for those transactions can be made available once needed.</p> <p>Bank charges are recorded and update as reflected in various cashbooks maintained for bank accounts and they are available for your review.</p>	<p>information that are complete and fairly presented. Omission of the UBA account balances materially misstate the cash balance. Therefore, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.</p>			
<b>8</b>	Non-performance of Bank Reconciliations	<p>The IMS should provide justification for not preparing the monthly bank reconciliation Statements for its accounts.</p> <p>Management should maintain both US\$ and L\$</p>	1.1.8.12 - 1.1.8.18	<p>Bank reconciliation is done monthly for each of the bank accounts maintained by the IMS for the COVID Response. Please find attached signed and approved month-by-month bank reconciliation reports for these accounts. With the reversal entry of US\$228.04, please</p>	<p>Management did not provide any signed and approved monthly bank reconciliations nor did it provide updated general ledger.</p> <p>The reconciliation of bank accounts assures that cash carried forward is accurate and that any errors in the recording of payments made from the bank accounts are</p>	<b>Observations noted and corrective actions taken</b>	<b>Bank reconciliation to support the Financial Statement presented for the period under audit are prepared and signed.</b>	<b>None</b>

Management Letter on the  
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For the Period July 1, 2020 to June 30, 2021

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		<p>general ledger and then use the average rate at the end of the period of prepare the financial statements.</p> <p>Management should correct the ledger.</p>		<p>find attached the updated general ledgers of the posting (debit and credit entry)</p>	<p>uncovered and corrected on a timely basis. This is the basis for sound financial decision by Management.</p> <p>Going forward Management should ensure that that bank reconciliation statements are prepared by preparer, reviewed and approved by a senior level person. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.</p>			
9	Unrecorded Amounts	The IMS should provide justification for the use of the MOH operational accounts.	1.1.9.7 - 1.1.9.10	The cashbooks and general ledgers have been updated to reflect all financial transactions processed for the period under audit and up to current period. Please find attached for your review. As stated earlier in one of the first and third responses, a decision	The assertions by the IMS is not backed by documentary evidence. Going forward, Management should ensure that proper books of account are prepared and kept to ensure reliable financial information. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.	<b>Observation Noted and corrective action taken</b>	<b>The IMS no longer uses the MOH operational accounts. The IMS has opened separate accounts for the management of COVID - 19 funds.</b>	<b>Routine management of the various accounts is being done.</b>

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				<p>was reached by the first IMS that included both the Ministry of Health and NPHIL as collaborative entities to have initial funds being provided for the Response maintained by the Ministry in one of its special or operational accounts while the process of setting up a financial system and opening of designated bank accounts for the Response were done. The first bank account for the Response was opened at the Central Bank of Liberia in May 2020 with other bank account(s) opened subsequently. On the issue of the 71,500 USD paid in the name of Q. Pewee, the IMS had to procure an emergency concoction for curative purposes. All</p>				



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				supporting documents including request for ethical approval for the administering of said drugs are available for review. Given the nature of the emergency, the IMS was constrained to pay in cash as the supplier could not settle for any other alternative means of payment.				
<b>10</b>	Inadequate Supporting Documents	The Management Team of COVID-19 Response should provide substantive justification to validate the authenticity of the transactions.	1.1.10.5 - 1.1.10.8	Management presented adequate supporting documents for all vouchers upon request by the GAC. Management would like to refer you to the documents presented and offer to work with you in identifying and or sorting them out for your review.  Additionally, management has copies of some supporting documents	Management did not present adequate documents as asserted. Therefore, Management should account for the transactions without adequate documentation. Further, Management is breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.	<b>Observation Noted and corrective action taken</b>	<b>Management has assured that all transactions carried on during the period of the current audit are fully supported by relevant documents.</b>	<b>Management will continue to ensure that supporting documents are attached to each and every payment vouchers.</b>



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				presented to the GAC and would like to share same with you. Please see attached supporting documents.				
<b>11</b>	Procurement Compliance	The Management should provide justification for not adhering to Emergency Standard Operating Procedure (ESOP) of April, 2020 during the procurement of services.	1.1.11.4 - 1.1.11.18	Management did obtain tax clearances from Jahnyonnoh lodge and Kailando. The tax Clearance and business registration documents were presented when the IMS engaged the services of those vendors. Please see attached valid business registration and tax Clearance for your review.	Management did not attach evidence of valid business registration and tax clearance for Kailondo.  Also, Management attached a tax clearance certificate of Jahnyonnoh Lodge Inc. dated May 26, 2020. However, the IMS engaged the services of Jahnyonnoh and made a payment to the Lodge on 8 May 2020 without valid tax clearance. Moreover, business registration of Jahnyonnoh showed valid date ended 10 July 2016 without any evidence of a renewal. Jahnyonnoh Lodge is owned by former Senator Peter Coleman who was the Chairman on Committee Health at the Liberian Senate.	<b>Observation Noted and corrective action taken</b>	<b>Management has attached seriousness to obtaining tax clearances/receipts including business registration before entering into contract or procurement processes with vendors. The situations that led to those anomalies do not exist any longer.</b>	<b>Routine vigilance is being done to ensure observations of such are not seen, going forward.</b>



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					Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.			
<b>12</b>	Liquidation of Advances	Management should request liquidation of advance payments from responsible parties.	1.1.12.4 - 1.1.12.7	Reports and supporting documents on the liquidation of advances are being compiled and will be available for your review. Due to the emergency nature of the Response and the locations of some of the health teams, especially those in the Southeast, it usually takes time to obtain reports and supporting documents for advances given. The IMS is currently following up with county health teams, MACs and individuals to submit liquidation reports along with supporting documents for onward submission to the GAC. Attached are	Management's assertion is not materially supported. This is not the first time an Incident Management System was set up by the Government of Liberia to respond "virus of mass destruction". The Corona Virus IMS should have leveraged the architecture established during the Ebola Virus Disease to manage the COVID-19 Response. The emergency nature of COVID-19 should not be an excuse not to liquidate advances timely.  Staffs in whose names payments were made should account for the advances.	<b>Observation Noted and corrective action taken</b>	<b>Following the last audit, the IMS embarked on a vigorous collection of liquidation against advances given to third parties/counties.</b>	<b>This is a continuous process as advances and liquidation are still being given to those institution supporting the COVID - 19 Response.</b>

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				evidence to show that continuous follow ups have been made.				
13	Withholding Taxes	The Management should provide substantive justification for failing to deduct withholding taxes from its vendors and remitting same.	1.1.13.6 - 1.1.13.8	The IMS did withhold taxes from vendors during the period of the audit. Taxes withheld are in the process of being remitted to the GOL consolidated account. Vendors whose taxes were seen not to have been withheld are those to whom the IMS remains obligated. The IMS did not see it fair to withhold taxes from vendors when partial payments of her total obligations are being made. The IMS intends to withhold the taxes from those vendors during final payments.	Management should remit the taxes withheld to the Liberia Revenue Authority on a timely basis to avoid loss of revenue to the Government of Liberia.	<b>Observation Noted and corrective action taken</b>	<b>All taxes withheld for the last audit period were remitted to the General Revenue Accounts through the Liberia Revenue Authority.</b>	<b>The process continues as we are still withholding taxes from vendors</b>