



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the USAID Sponsored MOH Fixed
Amount Reimbursable Agreement
(FARA)/Health Partnership Project**

**for the Six Months Ended December 31,
2021**

November 2024

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

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Republic of Liberia



TRANSMITTAL LETTER

November 27, 2024

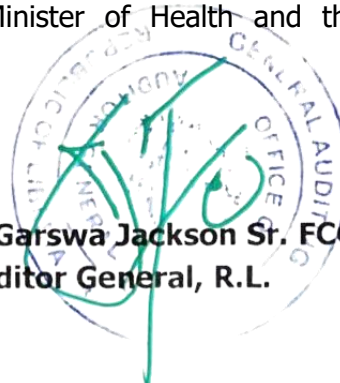
The Comptroller
USAID Liberia
U.S Embassy Compound
Monrovia, Liberia

Re: Auditor General's Report On Fund Accountability Statement, Internal Control And Compliance On The Audit Of The USAID Fixed Amount Reimbursable Agreement Of The Ministry Of Health Activity No: 669-II-Do3-16-001-00 In Liberia For The Period 01 July 2021 to 31 December 2021 Through Modification 01 to 12 of The Implementation Letter For The Implementation Of Liberia's 2011-2021 National Health And Social Welfare Policy.

Based on our audit of the Fixed Amount Reimbursable Agreement (FARA), we are pleased to present to you the Auditor General's Report.

Copies of this report have been provided to the Minister of Health and the FARA Project Management.

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



Monrovia, Liberia
November 2024

ACRONYMS USED

Acronyms/Abbreviations /Symbol	Meaning
CHT	County Health Team
COSO	Committee of Sponsoring Organizations of the Treadway Commission
FARA	Fixed Amount Reimbursement Agreement
GOL	Government of Liberia
GRN	Good Received Notes
MOF	Ministry of Finance
MOH	Ministry of Health
MOU	Memorandum of Understanding
TTM	Trained Traditional Midwife
TOR	Term of Reference
USAID	United States Agency for International Development

Auditor General's Report on the Fund Accountability Statement, Internal Control and Compliance of the USAID Fixed Amount Reimbursable Agreement of the Ministry of Health Activity No: 669-IL-DO3-16-001-00 in Liberia for the Period 01 July 2021 to 31 December 2021 Through Modification 01 to 12 to the Implementation Letter for the Implementation of Liberia's 2011-2021 National Health and Social Welfare Policy.

1 AUDIT SUMMARY

1.1 Background

- 1.1.1.1 On September 17, 2012, the United States of America, acting through USAID, and the Government of the Republic of Liberia (GoL), acting through the Ministry of Planning and Economic Affairs (MOPEA) (the "Parties") executed Development Objective Agreement No. 669-DOAG-DO3-12-00 for Improved Health Status of Liberians (the "Agreement").
- 1.1.1.2 On February 16, 2016 an Implementation Letter 669-IL-DO3-16-001-00 was signed by the United States Agency for International Development (USAID) and the Government of Liberia (represented by the Ministry of Finance and Development Planning and the Ministry of Health) for the purpose to provide information and procedures concerning the implementation of the 2016-2020 USAID Support to the National Health and Social Welfare Policy and Plan, the Accelerated Action Plan to Reduce Maternal and Neonatal Mortality, and the WASH Sector Strategic Plan through Fixed Amount Reimbursable Agreement (FARA) under the terms of the Development Objective Agreement.
- 1.1.1.3 The FARA which is a five-year activity that will be undertaken by the GoL through the MOH to advance gains in MNCH by strengthening MOH stewardship and performance management and by increasing use of quality primary health care in focus counties supported by the USAID. The FARA total estimated cost is United States Dollars (USD) \$111,397,287.00, with USD\$59,100,000.00 is anticipated to be sub-obligated by the USAID in increments while USD\$52,297,287.00 as GoL contribution.
- 1.1.1.4 In 2016, the USAID confirms financing and sub-obligated US\$12,600,000.00 for anticipated maximum reimbursable expenditure in Year 0 (15/16) and half of year 1 (2016/2017) of the activity subject to the terms and conditions of the agreement and the IL 669-IL-DO3-16-001-00.
- 1.1.1.5 From September 2011 to June 2018, the project was directly implemented by Non-governmental Organization (NGOs). Beginning July 1, 2018, a modification of the agreement was made allowing the MOH to directly implement the FARA project through the counties. The Counties Health Teams (CHTs) and the MOH signed a Memorandum of Understanding to deliver on the agreed upon deliverables as outline in the agreement.
- 1.1.1.6 On October 9, 2019, MOH requested the General Auditing Commission to commence an audit of the FARA for the period July 1, 2018 to June 30, 2019 and onwards. The audit was undertaken by the GAC under the Memorandum of Understanding entered into on March 13, 2012 between the USAID and GAC in which the GAC agreed to conduct audit of all

USAID funded projects in line with the then Guidelines for Audit Contracted by Foreign Recipients.

- 1.1.1.7 The USAID and the Government of Liberia in May 2021 extended the period of performance to six years ending December 2021 through modification 11 of the Implementation Letter; and made other significant changes to clauses "GoL Pre-financing" and "Purpose" in article 4.1 and article 1 respectively of the Implementation Letter.

1.2 Audit Objectives

- 1.2.1.1 The objective of this engagement is to conduct a financial audit of the USAID resources managed by the MOH/FARA under USAID Fixed Amount Reimbursable Agreement of the Ministry of Health Activity No: 669-IL-DO3-16-001-00 from 1 July 2021 to 31 December 2021 in accordance with:

- USAID Financial Audit Guide for Foreign Organizations (hereafter Guide);
- U.S. Generally Accepted Government Auditing Standards (GAGAS or the Yellow Book); hereafter referred to as GAGAS, issued by the Comptroller General of the United States Government Accountability Office; and, as applicable
- The International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI) for public-sector audits, in conjunction with GAGAS.

- 1.2.1.2 The specific objectives of the audit of the USAID funds are to:

- Express an opinion on whether the Fund Accountability Statement for the USAID-funded program presents fairly, in all material respects, revenues received, costs incurred, and commodities and technical assistance directly procured by USAID for the period audited in conformity with the terms of the agreements and generally accepted accounting principles or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).
- Evaluate the recipient's internal control related to the USAID-funded program, assess control risk, and identify significant deficiencies including material weaknesses. This evaluation should include the internal control related to required cost sharing/counterpart contributions (if applicable).
- Perform tests to determine whether the recipient complied, in all material respects, with agreement terms (including cost sharing, if applicable) and applicable laws and regulations related to USAID-funded program. All material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred must be identified. Such tests must include the compliance requirements related to required cost-sharing contributions, if applicable.

1.3 Scope of Audit

- 1.3.1.1 The Terms of Reference under which the audit was undertaken requires that the "audit of the USAID resources must be performed in accordance with the USAID Financial Audit Guide for Foreign Organizations issued by the USAID Inspector General, as required by the Standard Audit Provisions contained in the respective agreements between USAID, Liberia, and the subject Ministries and Agencies of the Government of Liberia" for the period July 1, 2021 to December 31, 2021.

1.4 Methodology

- 1.4.1.1 We reviewed documentation on the USAID sponsored MOH/FARA Project, including the Implementation Letters, agreement between USAID and Liberia, budget, procedures approved by USAID as well as all program financial and progress reports, charts of accounts, organizational charts, accounting systems descriptions and procurement policies and procedures, as necessary as would enable us have full appreciation of the project.
- 1.4.1.2 Additionally, for the recipients, MOH Office of Financial Management (OFM), we reviewed their transaction streams which in our view would be impacted with the implementation of the USAID sponsored MOH/FARA Project. Our review of the transaction streams focused on the adequacy of internal control embedded in the transaction streams and whether they comply with agreement terms and applicable laws and regulations related to the USAID-funded program.
- 1.4.1.3 Furthermore, audit teams visited the Counties of Grand Cape Mount, Grand Geddeh, River Gee, Nimba, Bong, Grand Bassa, Margibi and Lofa to obtain assurance on the matters presented below:
- County Health Teams (CHTs) compliance to the Memorandum of Understanding between the Counties and the MOH central office.
 - Policies and procedures followed in the counties' financial offices are effective in ensuring the objective of the project is met.
 - Accounting and reporting of advances from the central offices by the CHTs are adequately done in line with accounting standards while ensuring value for money in achieving the project objectives.
- 1.4.1.4 This Auditor General's Report is issued in accordance with the approach indicated in our Overall Audit Strategy and in accordance with the USAID Financial Audit Guide for Foreign Organizations issued by the Inspector General of USAID.
- 1.4.1.5 We present below the summary of significant findings and conclusions borne out of the audit.

2 BRIEF SUMMARY OF AUDIT RESULTS

2.1 Questioned Costs on the Fund Accountability Statements

- 2.1.1.1 Our review of the Fund Accountability Statements of the project's recipients (MOH), as it relates to the USAID sponsored project, disclosed questioned costs based on transactions that were not adequately substantiated or supported as follows:

Questioned Cost on Fund Accountability Statement	
Description	Amount US\$
Reversal transactions were without evidence of previous corresponding entries	105,000.00
No evidence of remittance of income taxes withheld	20,115.00
Transactions without evidence of delivery notes and GRN	1,423.00
Total	126,538.00

**Note: See section 1.9.4, 1.9.6 of the Management Letter dated April 17, 2024 accompanying this Auditor General's Report.*

- 2.1.1.2 The questioned cost above was based on violation of the Public Financial Management Regulations Regulation P (9) of the Public Financial Management Act of 2009 which states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

2.1 Questioned Costs on Noncompliance with Agreement Terms and Laws and Regulations

- 2.1.1.1 Our review of the MOH/FARA compliance with agreements terms and laws and regulations, as it relates to the USAID sponsored project, disclosed questioned costs based on noncompliance to USAID Agreement which call for the use of Public Procurement and Public Financial Management Regulations of Liberia to be employed by the project. See Sections 8.2 and 4.5 (C) of the USAID Implementation Letter Number 669-IL-DO3-16-001-00.

- 2.1.1.2 The material non-compliance is as follow:

Questioned Cost Material Non Compliance	
Description	Amount US\$
Non-compliance with Public Procurement Concession Regulations for the procurement of goods and services	211,883.14
Non-compliance with Public Financial Management Regulations during the payment to third parties	114,944.05
Total	326,827.19

**Note: See section 'Audit Findings on Compliance' in this Auditor General's Report below for details.*

- 2.1.1.3 The non-compliance questioned costs above were based on violation of the USAID FARA Implementation Letter 669-IL-DO3-16-001-00.

3 END-USE REPORT

3.1 Auditor General's Report on the Fund Accountability Statement

Qualified Opinion

We have audited the fund accountability statements of the USAID Fixed Amount Reimbursable Agreement (FARA) of the Ministry of Health (MOH) Activity No: 669-IL-DO3-16-001-00 in Liberia for the period July 1, 2021 to December 31, 2021 through Modification 01-12 of the Implementation Letter for Implementation of Liberia's 2011-2021 National Health and Social Welfare Policy.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the fund accountability statements refer to above presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the fiscal period then ended in accordance with the terms of the agreements and in conformity with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Qualified Opinion

The FARA Project Management made material misstatements in aggregate amounting to US\$126,538.00 on the following:

- Two reversals errors made without evidence of correcting a prior entry error and not corrected by Management totaling US\$105,000.00.
- Taxes withheld amounting to US\$20,115.00 and recorded as payment to tax authorities but the occurrence remains unsubstantiated.
- Unverified payments for goods, amounting to US\$1,423.00, recorded without evidence of delivery notes and goods received notes to substantiate occurrence.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) in conjunction with U.S Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management's Responsibility

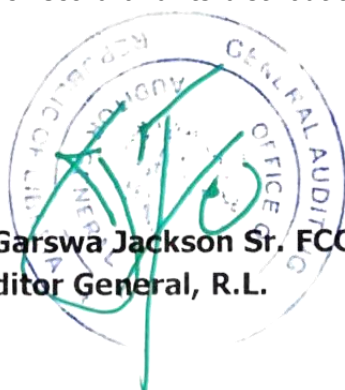
Management is responsible for the preparation and fair presentation of the Fund Accountability Statement in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Fund Accountability Statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Fund Accountability Statement based on conducting the audit in accordance with ISSAI's and auditing standards generally accepted in the United States of America. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In accordance with U.S. Government Auditing Standards, we have also issued our reports dated November 20, 2024 on our consideration of the MOH/FARA Project internal control over financial reporting and our tests of their compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with U.S. Government Auditing Standards and should be read in conjunction with this Auditor General's Report in considering the results of our audit.

This report is intended for the information of MFDP, MOH/FARA and USAID. However, upon release by USAID, this report is a matter of public record and its distribution is not limited.


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

Monrovia, Liberia

November 2024

Ministry of Health

USAID FARA Project Program Grant No. 669-IL- DO3 - 16 - 001 – 00

Fund Accountability Statement (FAS)

**July 1, 2021 to Dec. 31,
2021**

all amounts are in United States Dollars

			QUESTION COSTS		
	BUDGET	ACTUAL	INELIG	UNSUPPORT	NOTE
REVENUE	US\$	US\$	IBLE	ED COST	S
Receipts		2,096,780.29			
COST INCURRED					
079000-FARA Project					
4. Management Support	0.00	321,896.02		125,115.00	
Subtotal	0.00	449,830.80			
Year 5 (FY-2020/2021)					
1.0 FARA Management and Service	0.00	334,562.51			
6.0 Focused RMNCHA/FP Activities	0.00	11,980.00			
7.0 Implementation of EPHS	0.00	2,554,897.24		328,250.19	
Subtotal	0.00	2,901,439.75			
Grand Total Payments	0.00	3,223,335.77		453,365.19	
Excess of receipts over payments		(1,126,555.48)			

**MINISTRY OF HEALTH
FIXED AMOUNT REIMBURSABLE AGREEMENT
STATEMENT OF RECEIPT AND PAYMENTS BY ACTIVITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021**

all amounts are in United States Dollars

	Notes	31-Dec-21 US\$
RECEIPTS		
Grant		2,096,780.29
PAYMENTS		
079000-FARA Project		
4. Management Support		321,896.02
Subtotal		321,896.02
079100-FARA 2.0 Project		
Year 5		
Extension (Jul-Dec 2021)		
1.0 FARA Management and Service		334,562.51
6.0 Focused RMNCHA/FP Activities		11,980.00
7.0 Implementation of EPHS		2,554,897.24
Subtotal		2,901,439.75
Grand Total Payments		3,223,335.77
Excess of receipts over payments		(1,126,555.48)

**MINISTRY OF HEALTH
FIXED AMOUNT REIMBURSABLE AGREEMENT
STATEMENT OF BUDGET VERSUS ACTUAL
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021**

all amounts are in United States Dollars

	Note	Budget US\$	Actual US\$	Variance US\$
079000-FARA Project				
4. Management Support		0	321,896.02	-321,896.02
Subtotal-079000-FARA Project		0	321,896.02	-321,896.02
079100-FARA 2.0 Project				
1.0 FARA Management and Service		0.00	334,562.51	-334,562.51
6.0 Focused RMNCHA/FP Activities		0.00	11,980.00	-11,980.00
7.0 Implementation of EPHS		0.00	2,554,897.24	-2,554,897.24
Subtotal		0.00	2,901,439.75	-2,901,439.75
Grand Total Payments		0.00	3,223,335.77	-3,223,335.77

PREPARED BY

Name: D. Emmanuel Williams, III

Job Title: Financial Accountant

Signature: _____

Date: _____

REVIEWED BY:

Name: Patrick Guzeh

Job Title: Financial Comptroller

Signature: _____

Date: _____

SIGNED BY:

Name: Louise Thomas Mapleh

Job Title: Program Manager USAID FARA

Signature: _____

Date: _____

APPROVED BY:

Name: Dr. Louise Mapleh Kpoto

Job Title: Minister of Health

Signature: _____

Date: _____

Questioned Costs	US\$
1. Fund Accountability Statements	126,538.00
2. Compliance	
-Procurement	211,883.14
-Third Party Payments	114,944.05
Sub-total Compliance	326,827.19
Total Questioned Costs	453,365.19

General Information and Accounting Policies

a. General Information

Principal address of the Ministry of Health is:
Ministry of Health
Dr. Joseph N. Togba Office Complex
Congo Town
Monrovia, Liberia

b. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies will be consistently applied to all years presented, unless otherwise stated.

c. Basis of Preparation of the Fund Accountability Statements

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS): Financial Reporting under the Cash Basis of Accounting. Specifically, the statements are based on cash basis IPSAS.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently used throughout.

d. Basis of Preparation of the Budget

Budget of the project presented at the fund accountability statement has been prepared in accordance with the budget approved by USAID. This budget is expressed in USD.

e. Reporting currency and translation of foreign currencies

i. Functional and presentation currency

The functional currency is United States Dollar (US\$) and the reporting currency is the United States Dollar (US\$), which is one of the legal tenders of the Republic of Liberia.

f. Reporting Period

The reporting period for these financial statements is the Six (6) months of the Government's financial year, which runs from July 1, 2021 to December 31, 2021.

g. Receipts

Receipts represent cash received by the entity and payments on its behalf by outsiders during the reporting period.

h. Expenses

In general, all expenses are recognized in the statement of Cash Receipts and Payments when paid.

Under government's cash basis of accounting, purchases of property, plant and equipment are expensed fully in the year of purchase. However, a memorandum record is maintained in the Fixed Asset Registers at historical cost for all non-current assets of the Ministry.

i. Financial Software

The Ministry's uses Oracle NetSuite for processing and preparation of its financial Statement.

j. Fund Balance Reconciliation

As at 31 December 2021 the bank and cash book balances are:

Account Name	Account Number	Bank Statements Beginning Bal July 1, 2021 Bal. US\$	Bank Statements Ending Bal.	Cash Book Bal December 31, 2021 US\$	Variance C= A - B US\$
			December 31, 2021	B	
			US\$		
			A		
Bong County CHT	UBA53070310000238	300,510.58	86,200.00	-53,869.94	140,069.94
Lofa County CHT	Ecobank61000063192	221,347.76	13,366.50	8,907.53	4,458.97
Nimba County CHT	Ecobank61000354522	275,457.09	102,476.3	31,969.57	70,506.82
River Gee CHT	Ecobank6101656892	58,895.44	15,561.94	5653.76	9,908.18
Grand Geddeh FARA CHT	LBDI1821878382404	73,792.97	2,959.02	7,549.76	-4,590.74
Grand Cape Mount CHT	LBDI221815258608	90,544.63	37,158.71	8,778.17	28,380.54
Margibi		0.00	35,380.67	4,850.90	30,529.77
Grand Bassa	SIB311205416201	0.00	0.00	5,060.20	-5,060.20
Escrow FARA	CBL1502023630	223,977.01	23,271.39	23,222.39	49.00
MOH FARA V2.0	SIB11201991001	598,344.26	206,499.89	278,885.72	-72,385.83
MOH USAID FARA Project Account	Ecobank6100064112	210,204.29	82,856.03	128,279.08	-45,423.05
Total		2,053,074.03	605,730.54	449,287.14	156,443.40

3.2 Auditor General's Report on Internal Control

- 3.2.1.1 We have audited the fund accountability statement of the MOH/FARA Project Office for the six months ended December 31, 2021, and have issued our report on it dated November 20, 2024.
- 3.2.1.2 We conducted our audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. In planning and performing our audit, we considered the entity's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.
- 3.2.1.3 Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we considered to be material weakness.
- 3.2.1.4 A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be material weakness:
- MOH/FARA failure to ensure that goods bought by the County Health Teams were adequately documented through a goods received noted; inventory received, requisitioned and supplied through bin card stock system showing inventory balances over the last three years. See section 'Audit Findings on Internal Control' in this Auditor General Report below as well as the Management Letter findings on inventory management of medical and non-medical inventories accompanying this report.
 - MOH/FARA failure to ensure adequate controls are design to account for fuel and gas procured and distributed due to its significant high cost incurred each year over the last three years. See section 'Audit Findings on Internal Control' in this Auditor General Report below as well as the Management Letter findings on fuel and gas accompanying this report.

- 3.2.1.5 However, we also noted certain matters involving internal control and its operation that we have reported to the management of the MOH/FARA Project Office in a separate Management Letter dated November 20, 2024.
- 3.2.1.6 This report is intended for the information of MOH/FARA Project Office and the U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

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

Monrovia, Liberia
November 2024

3.3 Audit Findings on Internal Control

3.3.1 Nimba County Health Team

Inventory Management Medical Supplies

Criteria

- 3.3.1.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.1.2 Regulation P (9) of the Public Financial Management Act of 2009 as restated 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.1.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.1.4 During the audit, we observed that sample of stored medical inventory amounting to US\$19,783.00 at the Nimba County Health Team had no evidence of three or more authorised personnel signing goods received notes. See table 1 below.

Table 1: Inventory Management Medical Supplies

Voucher No.	Date	Description	Cost USD
NCHT-PV-00168-2021	12/22/2021	Disbursement of funds for stationery	9,959.00
NCHT-PV-00185-2021	12/22/2021	Disbursement of funds for cleaning materials	9,824.75
Total			19,783.75

- 3.3.1.5 Also, we observed that some items listed in the sample voucher above inventory balance could not be confirmed due to inaccurate updates to the bin cards in the stored room.
- 3.3.1.6 Furthermore, we observed that Management did not operate an automated inventory management system and periodic stock take of inventory was not initiated.

Cause

- 3.3.1.7 Management failure to maintain adequate recording and monitoring of inventory resulted into the condition above.

Risk

- 3.3.1.8 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.
- 3.3.1.9 The absence of effective segregation of duties and check and balances over the procurement, receipt and distribution of inventories may lead to misappropriation of inventories.
- 3.3.1.10 In the absence of an automated inventory management system and periodic stock taking, the completeness, existence and accuracy of inventory may be impaired. This may lead to inadequate record keeping and misappropriation of inventory.

Recommendation

- 3.3.1.11 Management should establish a control such that at least three authorised personnel comprising of procurement officer, warehouse/store officer, and an internal auditor/assurance officer reconcile and validate the receipt and subsequent distribution of all inventories procured. The goods received notes and stock release forms should be signed by these authorised personnel. Evidence of the authorised goods receive notes and stock release forms should be adequately documented and filed to facilitate future review. Copies of signed goods received notes should be communicated to the vendor to facilitate future confirmation and review exercises.
- 3.3.1.12 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level and etc.
- 3.3.1.13 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including records of stock takes, should be adequately documented and file to facilitate future review.
- 3.3.1.14 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.1.15 *We acknowledge the audit recommendations. The MOH will consider revision to include above mentioned staff for the system improvement.*

Auditor General's Position

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

3.3.2 Bong County Health Team

Inventory Management Medical and Non-Medical Irregularities

Criteria

- 3.3.2.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.2.2 Regulation P (9) of the Public Financial Management Act of 2009 as restated in 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.2.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.2.4 During the audit, we observed the following discrepancies from a sample of medical and non-medical supplies totalling US\$32,930:
- GRN not available for non-medical supplies for voucher #BCHT-PV-00069-2021
 - Delivery note was available but not signed by warehouse supervisor, logistics officer, and compliance officer for non-medical supplies on voucher #BCHT-PV-00069-2021
 - No evidence of GRN or delivery note. Inspection of stock cards showed that goods received were not recorded in the inventory record on voucher #BCHT-PV-00022-2021 for non-medical supplies
 - GRN and delivery notes were available but no evidence of signature from the warehouse supervisor, logistics and compliance officers. No evidence of goods being updated in the inventory records as stock cards not available for medical supplies voucher # BCHT-PV-00175-2021 and BCHT-PV-00176-2021
 - No evidence of supply of inventory as storeroom requisition forms were not available for medical supplies and non-medical supplies
 - For some items of non-medical inventory, we could not confirm the accuracy of the inventory closing balances. Inspection of the stock cards showed that some items were not recorded in the inventory records

- Medical inventory balance accuracy could not be confirmed as stock cards were not available. **See table 8 below.**

Table 8: Inventory Management Medical and Non-Medical Irregularities

Voucher No.	Date	Description	Amount US\$
BCHT-PV-00175-2021	12/29/2021	Purchase of medical consumables	7,635.00
N/A	12/29/2022	Purchase of medical consumables	8,940.00
BCHT-PV-00069-2021	2/9/2021	purchase of stationery and supplies	7,995.00
BCHT-PV-00022-2021	7/7/2021	purchase of stationery and supplies	8,360.00
Total			32,930.00

Cause

- 3.3.2.5 Management failure to maintain adequate recording and monitoring of inventory resulted into the condition above.

Risk

- 3.3.2.6 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.
- 3.3.2.7 The absence of effective segregation of duties and check and balances over the procurement, receipt and distribution of inventories may lead to misappropriation of inventories.

Recommendation

- 3.3.2.8 Management should establish a control such that at least three authorised personnel comprising of procurement officer, warehouse/store officer, and an internal auditor/assurance officer reconcile and validate the receipt and subsequent distribution of all inventories procured. The goods received notes and stock release forms should be signed by these authorised personnel. Evidence of the authorised goods received notes and stock release forms should be adequately documented and filed to facilitate future review. Copies of signed goods received notes should be communicated to the vendor to facilitate future confirmation and review exercises.
- 3.3.2.9 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level and etc.
- 3.3.2.10 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including records of stocktakes, should be adequately documented and filed to facilitate future review.
- 3.3.2.11 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.2.12 *The documents were misplaced during the time of audit due to the relocation from the mini warehouse to a larger one. However, after vigorous check, the documents were recovered and are available for review.*

Auditor General's Position

- 3.3.2.13 We acknowledge Management subsequent submission of documents after our audit execution. However, due to the submission of documents after our audit execution, we were unable to validate the completeness and accuracy of the stock records against the existing inventory. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 3.3.2.14 Also, Management provision of documents after our review, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.

3.3.3 Lofa County Health Team

Inventory Management Non-Medical Supplies Irregularities

Criteria

- 3.3.3.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.3.2 Regulation P (9) of the Public Financial Management Act of 2009 as restated in 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.3.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.3.4 During the audit, we observed the following discrepancies from a sample of medical and non-medical supplies totalling US\$16,276.50:
- GRNs were not available for medical supplies
 - Delivery notes available but were not properly signed by warehouse supervisor,

logistics officer, and compliance officer for medical supplies

- GRNs were available but their format were not consistent with the usual system generated format for non-medical supplies
- No evidence of signature from the logistics officer, compliance officer and warehouse supervisor for non-medical supplies
- Inspection of stock cards showed that goods received were not updated in the inventory records for non-medical supplies
- Non-medical supplies could not be verified as supplied as they were not updated to the stock cards and requisition forms were not available. **See table 11 below.**

Table 11: Inventory Management Non-Medical Supplies

Voucher No.	Date	Description	Amount US\$
LCHT-PV-00033-2021	2/7/2021	purchase of Drugs and medical supplies	8,820.00
LCHT-PV-00038-2021	3/7/2021	purchase of Drugs and medical supplies	5,700.00
Total			14,520.00

Cause

- 3.3.3.5 Management failure to maintain adequate recording and monitoring of inventory resulted into the condition above.

Risk

- 3.3.3.6 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.
- 3.3.3.7 The absence of effective segregation of duties and check and balances over the procurement, receipt and distribution of inventories may lead to misappropriation of inventories.

Recommendation

- 3.3.3.8 Management should establish a control such that at least three authorised personnel comprising of procurement officer, warehouse/store officer, and an internal auditor/assurance officer reconcile and validate the receipt and subsequent distribution of all inventories procured. The goods received notes and stock release forms should be signed by these authorised personnel. Evidence of the authorised goods received notes and stock release forms should be adequately documented and filed to facilitate future review. Copies of signed goods received notes should be communicated to the vendor to facilitate future confirmation and review exercises.

- 3.3.3.9 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level and etc.
- 3.3.3.10 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including records of stocktakes, should be adequately documented and file to facilitate future review.
- 3.3.3.11 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.3.12 *Management notes your findings and recommendation. However, we hereby resubmit the goods received note for your viewing.*

Auditor General's Position

- 3.3.3.13 We acknowledge Management subsequent submission of some requested documents after our audit execution. However, Management did not provide delivery notes and stock cards of items purchased by Lofa County Health Team. In the absence of these documentations, we were unable to validate the completeness and accuracy of the records against the existing stock balances. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.4 Grand Cape Mount County Health Team

Inventory Management Non-Medical Supplies and Medical Supplies Irregularities

Criteria

- 3.3.4.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.4.2 Regulation P (9) of the Public Financial Management Act of 2009 as restated 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.4.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.4.4 During the audit, we observed that samples of Non-Medical and Medical Supplies bought totalling US\$9,782.50 had no evidence of goods updated on an inventory stock card as stock card was not available to confirm the receipts, requisitions, supplies and inventory balances of these commodities procured. **See table 19 below.**

Table 19: Inventory Management Non-Medical Supplies and Medical Supplies

Voucher No.	Date	Description	Amount US\$
GCMCHT-PV-00120-2021	12/16/2021	Purchase of Reagents for three health centers	1,267.50
GCMCHT-PV-00084-2021	October 21, 2021	Purchase of Stationery	8,515.00
Total			9,782.50

Cause

- 3.3.4.5 Management failure to maintain adequate recording and monitoring of inventory resulted into the condition above.

Risk

- 3.3.4.6 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.
- 3.3.4.7 The absence of effective segregation of duties and check and balances over the procurement, receipt and distribution of inventories may lead to misappropriation of inventories.

Recommendation

- 3.3.4.8 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level and etc.
- 3.3.4.9 Management should establish a control such that at least three authorised personnel comprising of procurement officer, warehouse/store officer, and an internal auditor/assurance officer reconcile and validate the receipt and subsequent distribution of all inventories procured. The goods received notes and stock release forms should be signed by these authorised personnel. Evidence of the authorised goods received notes and stock release forms should be adequately documented and filed to facilitate future review. Copies of signed goods received notes should be communicated to the vendor to facilitate future confirmation and review exercises.
- 3.3.4.10 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including records of stocktakes should be adequately documented and filed to facilitate future review.
- 3.3.4.11 A post review of the inventory records should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.4.12 *We acknowledge the audit recommendations for improvement, but at the same time has made available the transaction vouchers to show that the goods were received and recorded on the bin card. (Please see your table 19 heading for re-wording)*

Auditor General's Position

- 3.3.4.13 We acknowledge Management subsequent submission of some requested documents, including payment vouchers and goods received notes after our audit execution. However, Management did not provide evidence of stock cards to validate the actual receipt and subsequent distribution of inventory at the warehouse. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.5 River Gee County Health Team

Inventory Management Non-Medical and Medical Supplies Irregularities

Criteria

- 3.3.5.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.5.2 Regulation P (9) of the Public Financial Management Act of 2009 as restated 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.5.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.5.4 During the audit, we observed the following discrepancies from a sample of non-medical supplies amounting to US\$1,756.50:
- Warehouse staff did not sign GRNs or delivery notes.
 - 5 pieces of motorbikes brake shoes total \$50 not recorded on stock card
 - 5 pieces of Sproket total \$150 not recorded or received.
 - Delivery note reported 4 pieces of Hub Oil Seal deliver while GRN reported one piece of Hub oil seal received. Disputed cost is \$75 for 3 pieces.

- 3.3.5.5 Also, we observed no evidence that items delivered to the Fish Town Hospital were received as the warehouse supervisor was unable to locate the stock cards and requisitions as evidence of items received, recorded, requested and distributed at the hospital for the samples of medical supplies vouchers. **See table 23 below.**

Table 23: Inventory Management Non-Medical and Medical Supplies

Voucher No.	Date	Description	Amount US\$
RGCHT-PV-00051-2021	7-Nov-21	Medical drugs for fish town hospital	793.00
RGCHT-PV-00090-2021	31-Dec-21	Payment for assorted drugs for Fish town hospital	963.50
Total			1,756.50

- 3.3.5.6 Furthermore, we could not reconcile requisitions, supplies and inventory balances due to inadequate inventory records.

Cause

- 3.3.5.7 Management's failure to maintain adequate recording and monitoring of inventory resulted into the condition above.

Risk

- 3.3.5.8 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.
- 3.3.5.9 The absence of effective segregation of duties and check and balances over the procurement, receipt and distribution of inventories may lead to misappropriation of inventories.

Recommendation

- 3.3.5.10 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level, etc.
- 3.3.5.11 Management should establish a control such that at least three authorised personnel comprising of procurement officer, warehouse/store officer, and an internal auditor/assurance officer reconcile and validate the receipt and subsequent distribution of all inventories procured. The goods received notes and stock release forms should be signed by these authorised personnel. Evidence of the authorised goods received notes and stock release forms should be adequately documented and filed to facilitate future review. Copies of signed goods received notes should be communicated to the vendor to facilitate future confirmation and review exercises.
- 3.3.5.12 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including records of stocktakes should be adequately documented and filed to facilitate future review.

- 3.3.5.13 A post review of the inventory records should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.5.14 *We acknowledge the audit findings. MOH has attached all supporting documents for consideration.*

Auditor General's Position

- 3.3.5.15 Management's assertion was not supported by the subsequent submission of supporting documents. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.6 Good Received Notes (ALL CHTs)

Criteria

- 3.3.6.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states that, "the objectives of the MOH's stock system are to ensure that: The MOH shall use pre-number GRN or goods delivery notes to evidence receipt and issuance of stock."
- 3.3.6.2 Further, Regulation P (9) of the Public Financial Management Act of 2009 as restated in 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 3.3.6.3 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Condition

- 3.3.6.4 During the audit, we observed that the control place on the automated Goods Received Notes (GRN) form has a control deficiency as the key position of Compliance Officer/Internal Auditor, Procurement Representative, Warehouse Supervisor, Vendor, and Requesting Unit were not included to be present for signing when goods are delivered by the vendor.
- 3.3.6.5 We further observed that copy of a GRN was not issued the vendor upon delivery as evidence of receipt of goods from the vendor.

Cause

- 3.3.6.6 Failure to adequately design a GRN with the requisite approval levels created the situation above.

Risk

- 3.3.6.7 Payments may be made for goods not/under received.
- 3.3.6.8 The quality of goods received may not be consistent with predetermined, approved, contracted specification.
- 3.3.6.9 The completeness, existence and accuracy of inventories may be misstated.

Recommendation

- 3.3.6.10 Management should ensure that the Compliance Officer/Internal Auditor, Procurement Representative, Warehouse Supervisor, Vendor, and Requesting Unit are all present when goods are delivered and their positions are placed on the automated forms for signing. Evidence of approved GRN forms should be adequately documented and filed to facilitate future review.

Management's Response

- 3.3.6.11 *We acknowledge the audit recommendation, but as per MOH's current system design, there is no provision for their inclusion. Management will review and revert to your recommendation.*

Auditor General's Position

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

3.3.7 Fixed Assets (ALL CHTs)

Criteria

- 3.3.7.1 Regulation V.1 (2) of the Public Finance Management (PFM) Act of 2009 as restated in 2019 states that "The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that: (a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; And (b) inventory levels are at an optimum and economical level".

Condition

- 3.3.7.2 During the audit, we observed the following discrepancies associated with fixed assets management:
- Some fixed assets were not recorded in the fixed assets register
 - The serial numbers of some assets are not shown in the fixed assets register.
 - The USAID label was not placed on vehicles and other assets.
 - The coding on some assets was inconsistent with coding of those fixed assets register
 - Some assets were not coded
 - No evidence of periodic physical verification of assets
 - No evidence of movement of assets forms at the CHTs
 - No evidence that fixed assets within a given vicinity at the CHTs were displayed as required by the PFM Act.

Cause

- 3.3.7.3 Failure to institute an effective assets management, recording and monitoring resulted in the observation above.

Risk

- 3.3.7.4 Fixed assets may be damaged or impaired, but their values are still on the books.
- 3.3.7.5 Fixed assets may be removed from the CHTs premises without authorization, misappropriated, subjected to personal use or theft.
- 3.3.7.6 The lack of fixed assets movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 3.3.7.7 Fixed assets not coded and labelled may be susceptible to theft or diverted to personal use. Also, fixed assets may be exchanged or stolen if not coded.
- 3.3.7.8 Management failure to effectively manage fixed assets may lead to misuse and loss of assets bought by project funds for the CHTs and health facilities.

Recommendation

- 3.3.7.9 Management should ensure that CHTs as well as central office assets are managed in line with the project objectives and agreement and follow the controls in the MOH financial procedures manual to manage the fixed assets register and assets of the project.
- 3.3.7.10 Management should expedite the following to facilitate effective fixed assets management:
- Management should ensure that all assets are coded and recorded in the register along with their serial numbers (if any).
 - Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets.
 - Records of physical verification exercises 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 displayed as required by the PFM Act.
 - All fixed assets should be adequately labelled with the USAID logo as required.
 - A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of assets.

- All fixed assets should be uniquely coded based on the class of assets. The code on the assets should be consistent with the assets code recorded in the fixed assets register.

Management's Response

3.3.7.11 Management takes note of your recommendation, and will take the necessary actions to avoid these risks.

Auditor General's Position

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

3.3.8 FARA Project Compliance Officers (ALL CHTs)

Criteria

3.3.8.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) control activities component required that preparation, review, approval controls are instituted over purchases and payments transaction that mitigate the risks that items purchased were not verified by the same person preparing and approving the purchased order to prevent non-compliance, errors or fraud in a transaction.

Condition

3.3.8.2 During the audit, we observed that the Offices of the Compliance Officers at the CHT's are still not fully functional.

3.3.8.3 We observed that compliance officers are at times not fully conducting the below activities at all the CHTs:

- ❖ Signing of goods received notes and delivery notes as evidence of inspection of goods delivered.
- ❖ Signing of cash payment listing as evidence of his/her verification of payments for various program activities.
- ❖ Singing of inventory reports and bin cards as evidence of inspection and ensuring existence of items in inventory on a periodic basis.
- ❖ Signing of inventory requisition as evidence of ensuring items are distributed by proper authority in line with project objectives.
- ❖ Signing of delivery documents for essential items at delivery to health facilities as evidence of actual delivery and being present at the delivery.
- ❖ Inspection of payment request to ensure that payments are in line with CHT FARA project work plan.
- ❖ Signing of evaluation reports for RFQ as evidence of observance of a

competitive RFQ process in line with the Public Procurement Laws where contracts were not prepared by FARA Central Office.

- ❖ Pre-audit of fuel, gas and communication cards requests to ensure wastes and abuse are avoided and project work plans are followed.
- ❖ Non-preparation and submission of periodic compliance activities reports.

3.3.8.4 Also, we observed that the River Gee CHT was the only CHT without an assigned Compliance Officer.

Cause

3.3.8.5 Management non-involvement of the Compliance Officers in significant operation activities mentioned above resulted into the condition observed.

Risk

3.3.8.6 Management may override controls, laws and regulations in the absence of an independent review by the Compliance Officers.

3.3.8.7 Checks and balances in management operations may be impaired.

Recommendation

3.3.8.8 Management should ensure that the offices of the Compliance Officers are made fully functional with evidence of involvement in activities mentioned above and issuance of periodic report.

Management's Response

3.3.8.9 *We acknowledge your recommendations, and will take the necessary actions to get the Compliance Officer fully involve. We will ensure that River Gee County get a compliance officer this 2024.*

Auditor General's Position

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

3.4 Auditor General's Report on Compliance

3.4.1.1 We have audited the Fund Accountability Statement of the MOH/FARA Project for the six months ended December 31, 2021 and we have issued our report on it dated November 20, 2024.

3.4.1.2 We conducted our audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the determination of the fund accountability statements amounts.

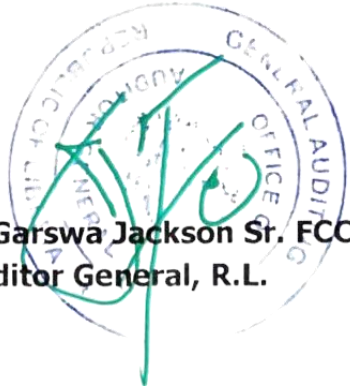
3.4.1.3 Compliance with agreement terms and laws and regulations applicable to the MOH/FARA Project is the responsibility of the MOH/FARA Project managements. As part of obtaining reasonable assurance about whether the Fund Accountability Statement is free of material misstatement, we performed tests of the MOH/FARA Project compliance with certain provisions agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

3.4.1.4 Material instances of noncompliance are failures to follow requirements or violations of agreement terms and laws and regulations that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the fund accountability statement. The results of our compliance tests disclosed the following material instances of noncompliance, the effects of which are shown as questioned costs in MOH/FARA Project fund accountability statement for the six months ended December 31, 2021:

- MOH failure to fully follow Public Procurement Concession Regulations for the procurement of goods and services to be employed in connection with the FARA led to a material amount of US\$211,883.14 of non-compliance issues that include failure to obtain no objection for the following: splitting of procurement, sole sourcing, procuring from non-contracted vendors, procurement planning, bid proceedings, awarding of contracts etc. Requirements of Article 8, Section 8.2 'Procurement Procedures' of the Implementation Letter 669-IL-DO3-16-001-00 agreement between USAID and MOH/MFDP. See section 'Audit Findings on Compliance' in this Auditor General's Report below.
- MOH failure to fully follow Public Financial Management Regulations during the payment of material amount of US\$114,944.05 of goods and services to be employed in connection with the FARA to a third party that is not the legally authorize representatives; thus, non-complying with financial laws. Requirements of Article 4, Section 4.5 (c) of the Implementation Letter 669-IL-DO3-16-001-00 agreement between USAID and MOH/MFDP. See section 'Audit Findings on Compliance' in this Auditor General's Report below.

3.4.1.5 We considered these material instances of noncompliance in forming our opinion on whether MOH/FARA Fund Accountability Statement for the period ended December 31, 2021, is presented fairly, in all material respects, in accordance with the terms of the agreements and in conformity with the basis of accounting described in the Fund Accountability, and this report does not affect our report on the Fund Accountability Statement dated November 20, 2024.

- 3.4.1.6 This report is intended for the information of the MOH/FARA Project and the U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.


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

Monrovia, Liberia
November 2024

3.5 Audit Findings on Compliance

3.5.1 Nimba County Health Team

Third-Party Payments

Criteria

- 3.5.1.1 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.5.1.2 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
- a) Total payments made by such third parties; and
 - b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operation".

Condition

- 3.5.1.3 During the audit, we observed that transactions amounting to US\$46,045.00 were paid to various individuals for onward distributions. **See table 2 below.**

Table 2: Third party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
9/8/2021	Check	FELTON M GWEH	NCHT-PV-00067-2021	1449540	Payment of DSA to conduct County level JISS in Fifty Seven (57) Health facilities in Nimba Quarter One July to September 2021 for the FARA year five extension.	7,640.00
12/22/2021	Check	FELTON M GWEH	NCHT-PV-00160-2021	1524034	Payment of DSA for 2 National facilitators, 2 county level facilitators, and 67 participants who participated in the three days integrated Malaria case management and malaria in pregnancy training for FARA extension	7,230.00
12/22/2021	Check	FELTON M GWEH	NCHT-PV-00166-2021	1524038	Payment of DSA for service provider, mobilizers, monitors for October to December 2021 District contraceptive day campaign	5,945.00

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/3/2021	Check	FELTON M GWEH	NCHT-PV-00146-2021	1524026	Payment for county, District, and facility staff FEEDING , who are participating in the review meeting for quarter July to September 2021.	3,510.00
7/16/2021	Check	FELTON M GWEH	NCHT-PV-00025-2021	1449532	Payment of DSA for district and county level participant for performance review meeting.	3,320.00
9/24/2021	Check	FELTON M GWEH	NCHT-PV-00083-2021	1449550	Payment of district support for JISS Data Validation for all FARA supported facilities for FARA extension July September 2021	3,045.00
7/16/2021	Check	FELTON M GWEH	NCHT-PV-00022-2021	1449529	Payment of DSA for county level Data validation for for April i June 2021, which was conducted in 25 health facilities	3,000.00
12/30/2021	Check	FELTON M GWEH	NCHT-PV-00213-2021	1524972	Payment of DSA for Data validation for county level staff for FARA extension from october to December 2021	3,000.00
12/3/2021	Check	FELTON M GWEH	NCHT-PV-00144-2021	1524024	DSA payment for District and Facility level staff for participating in the Quarter three DATA review meeting (July to Sept. 2021).D	2,680.00
12/22/2021	Check	FELTON M GWEH	NCHT-PV-00159-2021	1524033	Payment of Transportation reimbursement for 75 participants that participated in a three days malaria case management and malaria in pregnancy training for FARA extension	1,875.00
12/22/2021	Check	Paul O Zwuogbae	NCHT-PV-00164-2021	1524036	Payment of district support for FARA year 5 extension from October to December 2021 for coordination meeting	1,800.00
10/1/2021	Check	Paul O Zwuogbae	NCHT-PV-00089-2021	1524004	Payment for District coordination meeting support for DHT under FARA year Extension July - September 2021	1,800.00

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/22/2021	Check	FELTON M GWEH	NCHT-PV-00202-2021	1524961	Payment of DSA for 2 national facilitators, 2 county level facilitators a one national driver for EPI Immunization in practice Training for 3 days for October to December 2021	1,200.00
Total						46,045.00

Cause

- 3.5.1.4 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.5.1.5 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.5.1.6 Third party payments may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.5.1.7 Management should ensure that all payments for goods and services procured by the project should be made directly in the name of the vendor or its legally authorised representatives.
- 3.5.1.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.5.1.9 *We acknowledge this audit finding for the period under review, we have put in place a direct mobile money payment to all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

Procuring from a Non-Contracted Vendor

Criteria

- 3.5.1.11 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder

and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

- 3.5.1.12 During the audit, we observed that Management did not ensure that procurement was carried out by the centralized procurement unit at MOH and contract awarded before approving funds for the NCHT for implementation of the project. The below vendors for which purchases were made were contracted vendors of the prior year and we observed no evidence of a new framework agreement in place for the closing six months of the project. **See table 3 below.**

Table 3: Procuring from a Non-Contracted Vendor

No.	Vendor Name
1	Jungle Water group of Investment
2	John Aba Garage
	G2-PHARMACY
3	Bio-medical Link

Cause

- 3.5.1.13 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before submitting funds resulted in the situation above.

Risk

- 3.5.1.14 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.1.15 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.5.1.16 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.1.17 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.1.18 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before submitting funds.
- 3.5.1.19 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

3.5.1.20 *We acknowledge the finding and recommendation. We have attached all necessary supporting documents to justify the legitimacy of the transactions. Please find attached for your review and subsequent consideration.*

Auditor General's Position

3.5.1.21 We acknowledge Managements subsequent submission of documents after our audit execution and acknowledgement of our finding and recommendations. However, contracts submitted for Jungle Water and G-2 Pharmacy were not approved. Contract for Biomedical Link although seen as approved was entered into November 10, 2021, four months into the six months audited period. Bid documents as evidence of procurement proceedings for the awarding of the Biomedical Link contract was also not subsequently submitted. Contract for John Aba Garage was again not subsequently submitted. Therefore, we maintain our finding and recommendations.

3.5.1.22 Also, Management provision of documents after our review, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.

3.5.2 Grand Gedeh County Health Team

Procurement Irregularities

Criteria

3.5.2.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

3.5.2.2 During the audit, we observed that the centralized procurement unit at the MOH did not ensure that addendum to the procurement plan was communicated to the PPCC and approved before beginning procurement proceedings and awarding contract. **See table 5 below.**

Table 5: Procurement Irregularities

Vendor Name	Contract Amount US\$	Actual Amount Spent US\$
Abby Enterprise	8,950.00	1,451.00
FYAM Liberia	7,893.00	1,500.00
Total	16,843.00	2,951.00

- 3.5.2.3 Also, procurement documents for a contract awarded to AB Auto Parts, for vehicle spare parts, was not made available for review of the bidding and awarding processes. Furthermore, the total amount of US\$23,520.00 spent during the year exceeded the contract amount of US\$22,497.00 for vehicles spare parts.

Cause

- 3.5.2.4 Failure to ensure that procurement processes are undertaken including the submission of addendum procurement plan to PPCC for approval, completion and authorization of vendors' contract and full compliance to contract terms and conditions resulted in the situation above.

Risk

- 3.5.2.5 Awarding contracts without approval of addendum procurement plan by PPCC may facilitate non-compliance to the PPC Act and impair value for money.
- 3.5.2.6 Spending above approved contracts amounts may lead to misappropriation of Project funds.
- 3.5.2.7 Non-compliance with contracts terms and conditions may lead to hike in price and the quality and required specification of goods and services delivered may be impaired.

Recommendation

- 3.5.2.8 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.2.9 Management should ensure that all addenda to the procurement plan are subsequently approved by the PPCC before initiating procurement proceedings.
- 3.5.2.10 Management should facilitate strict adherence to approved contracts terms and conditions to ensure value for money is achieved. All addenda to contract should be authorised by the relevant authorities. Evidence of approved contracts and approval to addendum should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.2.11 *The bid document and approved contracts for Abby Enterprise and FYAM Liberia are available for review. Please find attached.*
- 3.5.2.12 *Even though this fiscal year lasted for six months, it was considered a complete fiscal year by the government. The Procurement plan did not require addendum.*

Auditor General's Position

- 3.5.2.13 Management did not subsequently provide documents as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.5.2.14 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.5.2.15 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
- a) Total payments made by such third parties; and
 - b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operation".

Condition

- 3.5.2.16 During the audit, we observed that transactions amounting to US\$3,090.00 were paid to various individuals for onward distribution. **See table 6 below.**

Table 6: Third Party Payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
10/12/2021	Check	Ruth B Marley	GGCHT-PV-00093-2021	452759	DSA payment for 18 Social Mobilizers, 72 service providers and 4 supervisors for district Contraceptive , Quarter FARA year 5 extension	2,790.00
12/15/2021	Check	Victor Gee	GGCHT-PV-00149-2021	452797	DSA payment for 6 DHOs who participated in the County Quarterly performance Review Meeting	300.00
Total						3,090.00

Cause

- 3.5.2.17 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.5.2.18 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.5.2.19 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.5.2.20 Management should ensure that all payments for goods and services procured by the project should be made directly in the name of the vendor or its legally authorised representatives.
- 3.5.2.21 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.5.2.22 *We acknowledge this audit finding for the period under review. The MOH has put in place a direct mobile money payment to all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

3.5.3 Bong County Health Team

Purchases Without Evidence of a Procurement Proceedings

Criteria

- 3.5.3.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

- 3.5.3.2 During the audit, we were unable to review bid documents to determine how contracts were awarded to vendors. The following are vendors for which procurement of goods and services were procured without evidence of procurement proceedings (bidding process) performed before making these procurements. **See table 9 below.**

Table 9: Purchases Without Evidence of a Procurement Proceedings

Vendor Name	Actual Amount Spent US\$
Abby Enterprise	9,280.00
Alkru Printing Enterprise	28,240.00
G2-Pharmacy	16,575.00
Genesis Trading center	5,080.00
Iron Gate Enterprises Inc	27,439.93
Iron Gate fuel station	1,061.48
Jammie Kerkula	7,075.73

Vendor Name	Actual Amount Spent US\$
Mat Enterprise Inc	15,414.00
Obi Standard Auto Services	12,300.00
Grand Total	122,466.14

Cause

- 3.5.3.3 Failure to ensure that procurement processes are undertaken including the completion and authorization of bidding documents and vendors' contract before submitting funds resulted in the situation above.

Risk

- 3.5.3.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.3.5 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.5.3.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.3.7 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.3.8 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before submitting funds.
- 3.5.3.9 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.3.10 *The MOH management acknowledges your findings. The procurement processes (BID DOCS) were carried out at Central Ministry of Health where the documents were stored. We have recovered the documents, and they are available for review.*

Auditor General's Position

- 3.5.3.11 We acknowledge Management subsequent submission of some procurement related documentation after our audit execution. However, the document subsequently submitted did not include bid documents for the above vendors' contract listed. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.5.3.12 Also, Management provision of documents after our review, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.

3.5.4 Lofa County Health Team

Purchases made without Contract

Criteria

3.5.4.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

3.5.4.2 During the audit, we observed that the centralized procurement unit at the MOH did not ensure that procurement activities were conducted for vehicle and motorbikes spare parts planned for US\$69,231.00 resulting in the LCHT purchasing from several uncontracted vendors. ***See table 12 below.***

Table 12: Procurement Irregularities of sample of unp

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/19/2021	Bill Payment	Unessah Jalloh Business Center	LCHT-PV-00169-2021	1317975	SPARE PARTS FOR MOTORBIKES	9,170.00
7/2/2021	Bill Payment	Jadik Investment Auto Parts Supply	LCHT-PV-00021-2021	1316233	SPARE PARTS FOR YAMAHA MOTOR BIKES	8,200.00
7/2/2021	Bill Payment	Jadik Investment Auto Parts Supply	LCHT-PV-00024-2021	1316236	SPARE PARTS FOR HONDA MOTOR BIKES	3,771.00
Total						21,141.00

3.5.4.3 Also, we observed that evaluation reports were not signed by the evaluation panel for contracts awarded to Biomedical Link and Bunty Pharmaceuticals.

Cause

3.5.4.4 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before submitting funds resulted in the situation above.

Risk

- 3.5.4.5 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.4.6 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.5.4.7 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.4.8 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.4.9 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before submitting funds.
- 3.5.4.10 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.4.11 *Attached are the contract for the transactions carried out by the LCHT for review.*

Auditor General's Position

- 3.5.4.12 We acknowledge Management subsequent submission of some documents after our audit execution. However, Management did not submit evidence of approved contracts requested as asserted in Management's response. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 3.5.4.13 Also, Management provision of documents after our review, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.

Third Party Payments

Criteria

- 3.5.4.14 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.5.4.15 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to

directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:

- a) Total payments made by such third parties; and
- b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operations".

Condition

3.5.4.16 During the audit, we observed that transactions amounting to US\$26,306.79 were paid to various individuals for onward distributions. **See table 13 below.**

Table 13: Third party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
10/18/2021	Check	Sylvester B Hne	LCHT-PV-00127-2021	1316297	Not available	9,278.79
11/18/2021	Check	Employee Expenses Payable	LCHT-PV-00158-2021	1317966	Payment of DSA for LCHT STAFF	4,780.00
12/20/2021	Check	Employee Expenses Payable	LCHT-PV-00174-2021	1317978	Payment for support for the implementation of program activities	4,179.00
10/9/2021	Check	Govego B Thompson	LCHT-PV-00115-2021	9592309	Payment for program activities Monitoring milestone on quality and care DSA supervision code6.19,ck no.1316290	1,553.00
9/7/2021	Check	Employee Expenses Payable	LCHT-PV-00094-2021	1316274	Payment for county level JISS FOR THE PASS MONTHS July	1,515.00
9/7/2021	Check	Simeon T Dunn	LCHT-PV-00090-2021	1316270	Payment for RHTC Meeting support	1,350.00
11/18/2021	Check	Employee Expenses Payable	LCHT-PV-00160-2021	1317968	Payment of DSA for LCHT STAFF	1,306.00
10/7/2021	Check	Employee Expenses Payable	LCHT-PV-00110-2021	9592305	Payment for DSA for LCHT staff the check is in Simeon T. Dunn name	1,235.00
12/23/2021	Check	Employee Expenses Payable	LCHT-PV-00192-2021	9592332	Payment for program activities please find detail request	1,110.00
Total						26,306.79

Cause

- 3.5.4.17 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.5.4.18 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.5.4.19 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.5.4.20 Management should ensure that all payments for goods and services procured by the project should be made directly in the name of the vendor or its legally authorised representatives.
- 3.5.4.21 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.5.4.22 *We acknowledge this audit finding for the period under review. The MOH has put in place a direct mobile money payment system for all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

3.6 Margibi County Health Team (MCHT)

Procurement Irregularities

Criteria

- 3.6.1.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

- 3.6.1.2 During the audit, we observed that the procurement process at the MOH is centralized. However, Management did not facilitate the completion of procurement processes by the centralized procurement unit at the MOH including awarding of contracts before approving funds for the MCHT.

3.6.1.3 Further, we observed that the below sampled purchases during the period did not have evidence of procurement proceedings, contracts, and procurements were not planned. Also, we observed no evidence that GRN and delivery notes were available for some purchases. **See table 15 below.**

Table 15: Procurement Irregularities

Date	Payee	Voucher Number	check/Reference Number	Description	Credit	
12/30/2021	M and R Catering Service	MCHT-PV-00182-2021	1557233	Catering for three days training from the FARA activities implementation budget	2,250.00	No evidence of procurement and contract
10/6/2021	God's Willing Inc	MCHT-PV-00127-2021	1311887	Purchase of Fuel from FARA activities implementation budget	3,600.00	No evidence of procurement and contract
11/19/2021	M.D. Capital Reliable Link	MCHT-PV-00158-2021	1557212	Purchase of assorted stationery Supplies from FARA activities implementation budget	9,240.00	amount not planned for, no evidence of evaluation of RFQ, no delivery note and GRN
12/17/2021	M.D. Capital Reliable Link	MCHT-PV-00169-2021	1557221	Purchase of a laptop computer from FARA activities implementation budget	1,150.00	No evidence of procurement and contract
9/28/2021	M.D. Capital Reliable Link	MCHT-PV-00117-2021	1311881	Purchase of Assorted Stationery Supplies from FARA activities implementation budget	5,083.00	no delivery note, GRN, no evidence of evaluation of RFQ
Total					21,323.00	

Cause

3.6.1.4 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before disbursement of funds resulted in the situation above.

Risk

3.6.1.5 Failure to adhere to procurement laws may lead to the non-achievement of value for money.

- 3.6.1.6 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.6.1.7 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.6.1.8 Management should account for the above transactions by providing all bid documents and approved contracts, GRN and delivery notes to justify the legitimacy of the transactions.
- 3.6.1.9 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before disbursement of funds.
- 3.6.1.10 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.6.1.11 *Management takes notes and which to inform you that it has put into place system to correct the above missteps as will be seen going forward.*

Auditor General's Position

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

Third Party Payments

Criteria

- 3.6.1.13 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.6.1.14 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
- a) Total payments made by such third parties; and
 - b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operations".

Condition

- 3.6.1.15 During the audit, we observed that transactions amounting to US\$13,497.50 were paid to various individuals for onward distribution. **See table 17 below.**

Table 17: Third Party Payments

Date	Payee	Employee	Voucher Number	check/Reference Number	Description	Credit
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00107-2021	1311875	Support to conduct monthly Joint Integrated Supportive Supervision and monthly post supervision mentorship in Mamba Kaba District	1,920.00
12/17/2021	Employee Expenses Payable	Theophilus B Doebo	MCHT-PV-00170-2021	1557222	Payment to support FARA implementation preparatory stage	1,200.00
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00096-2021	1311864	Support for post monthly supervision and mentorship in Firestone District	360.00
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00108-2021	1311876	Support for health facilities community engagement meetings, District Level MNDSR meetings, District performance review meetings and contraceptive outreach in Mamba Kaba District	1,047.50
11/17/2021	Employee Expenses Payable	Theophilus B Doebo	MCHT-PV-00154-2021	1557208	Daily Subsistence Allowance for Participants attending FARA Planning Meeting in Ganta, Ninmba County	4,320.00
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00104-2021	1311872	Support to conduct district performance review meeting in Gibi District	330.00
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00102-2021	1311870	Support for post monthly supervision and mentorship in Gibi District	360.00
9/21/2021	Employee Expenses Payable	KUSIE DAVID	MCHT-PV-00110-2021	1311878	support to conduct district performance review meetings, district level MNDSR meetings, community engagement meetings for the establishment of community referral pathway and contraceptive outreach in Kakata District	1,980.00
12/17/2021	Employee Expenses Payable	Theophilus B Doebo	MCHT-PV-00171-2021	1557223		1,980.00
Total						13,497.50

Cause

3.6.1.16 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.6.1.17 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.6.1.18 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.6.1.19 Management should ensure that all payments for goods and services procured by the project should be made directly in the name of the vendor or its legally authorised representatives.
- 3.6.1.20 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.6.1.21 *We acknowledge this audit finding for the period under review. The MOH has put in place a direct mobile money payment to all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

3.7 Grand Bassa County Health Team

Third Party Payments

Criteria

- 3.7.1.1 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.7.1.2 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
 - a) Total payments made by such third parties; and
 - b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operations".

Condition

- 3.7.1.3 During the audit, we observed that transactions amounting to US\$11,245.00 were paid to various individuals for onward distribution. **See table 18 below.**

Table 18: Third-party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
9/7/2021	Check	Comfort S. B Wiles	GBCHT-PV-00045-2021	1457422	Payment to carry on Maternal Death Review in eight health district in Grand Bassa County	1,245.00
9/7/2021	Check	HAMILTON C RUSS	GBCHT-PV-00046-2021	1457423	Payment of DSA to conduct Netsuite training for Finance Department in Grand Bassa County	1,200.00
11/8/2021	Check	Jimmy T Yeami	GBCHT-PV-00116-2021	1530274	Payment of DSA for DHTs to conduct quarterly Joint integrated supportive supervision (JISS) targeting 75% of all health facilities in Grand Bassa County	3,600.00
10/20/2021	Bill Payment	Mama and Son Holding INC	GBCHT-PV-00091-2021	1457450	Purchase of vehicle spare parts	4,000.00
11/8/2021	Check	Jimmy T Yeami	GBCHT-PV-00114-2021	1530272	Payment of DSA to DHT to provide mentoring and coaching support to health facilities staff of service delivery, data competences and HFDC Meeting	1,200.00
Total						11,245.00

Cause

- 3.7.1.4 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.7.1.5 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.7.1.6 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.7.1.7 Management should ensure that all payments for goods and services procured by the project are made directly in the name of the vendor or its legally authorised representatives.

- 3.7.1.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.7.1.9 *Since 2023, The Grand Bassa County Health Team has fully transitioned to a mobile money payment system to avoid third-party payment in adherence with audit recommendations.*

Auditor General's Position

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

3.8 Grand Cape Mount County Health Team

Procuring from Non-Contracted Vendors

Criteria

- 3.8.1.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

- 3.8.1.2 During the audit, we observed that Management of the MOH did not ensure that procurement process was carry out by the centralized procurement unit at MOH and contract awarded before approving funds for the GCCHT for implementation of the project.

Cause

- 3.8.1.3 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before disbursement of funds resulted in the situation above.

Risk

- 3.8.1.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money
- 3.8.1.5 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.8.1.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.8.1.7 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.8.1.8 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before disbursement of funds.
- 3.8.1.9 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.8.1.10 Management did not respond to this finding.

Auditor General's Position

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

Purchase made without Contract

Criteria

- 3.8.1.12 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act

Condition

- 3.8.1.13 During the audit, we observed that Management made several payments amounting to US\$54,825.00 to Super Petroleum and Mubico Garage for US\$3,500.00 for vehicle repairs without evidence of contracts. **See table 20 below.**

Table 20: Purchase made without Contract

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
9/8/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00056-2021	451771	Purchase of fuel for utility vehicles and ambulances	9000
10/21/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00089-2021	451799	Purchase of gasoline for supervisors motorbikes and health facilities	6500
10/21/2021	Bill	Super	GCMCHT-	451800	Purchase of fuel for	3500

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
	Payment	Petroleum Company	PV-00090-2021		generator for health center and CHT generator	
10/21/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00091-2021	451801	Purchase of fuel for ambulance and utility vehicles	9500
11/22/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00104-2021	451811	Purchase of fuel for Ambulances and motorbikes	4000
12/16/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00121-2021	451826	Purchase of Diesel fuel for vehicles	3000
12/29/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00136-2021	451834	Purchase of Gasoline for health facilities and supervisors	6000
12/29/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00135-2021	451833	Purchase of fuel for ambulances and utilities vehicles	9725
12/29/2021	Bill Payment	Super Petroleum Company	GCMCHT-PV-00137-2021	451835	Purchase of fuel for generators	3600
10/21/2021	Bill Payment	Mubico Garage	GCMCHT-PV-00088-2021	451798	Payment for the repair of vehicles, LB 1113, LB 1359, LB 1415	3,500.00
Total						58,325.00

Cause

- 3.8.1.14 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before disbursement of funds resulted in the situation above.

Risk

- 3.8.1.15 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.8.1.16 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.8.1.17 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.8.1.18 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.

- 3.8.1.19 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before disbursement of funds.
- 3.8.1.20 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.8.1.21 *The full procurement processes up to the point of a contract award was done for the petroleum product, we are currently in search of the contract, however, please review the attached bid documents for possible consideration.*
- 3.8.1.22 *Secondly, due to the amount involved, we did not contract with Mubico Garage. We used the three-quotation method of procurement.*

Auditor General's Position

- 3.8.1.23 Management did not adequately address the issue raised. The bid document is not a substitute for a contract. The bid documents are evidence of initiation and evaluation of bids before final awarding of a contract to selected vendors. While a contract establishes approved terms and conditions for the supply of goods and services between the project and the vendor. The value of the transaction for vehicle repairs and maintenance by Mubico Garage indicated in our table represented a single transaction from the vendor service. The total value of the services performed was within the threshold of a contract consistent with the PPC Act of 2010. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.8.1.24 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.8.1.25 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
- a) Total payments made by such third parties; and
 - b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operation".

Condition

- 3.8.1.26 During the audit, we observed that transactions amounting to US\$9,430.00 were paid to

various individuals for various services rendered for onward distribution. **See table 22 below.**

Table 22: Third party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
10/1/2021	Check	Kpadeh Kollie	GCMCHT-PV-00069-2021	451780	Fund for TTM motivation for FARA Extension July-Sept. 2021	1,980.00
7/15/2021	Check	Kpadeh Kollie	GCMCHT-PV-00044-2021	451770	Payment of local purchase of materials	450.00
7/8/2021	Check	Kpadeh Kollie	GCMCHT-PV-00001-2021	451749	Payment for contraceptive outreach for the period April-June 2021	3,080.00
12/16/2021	Check	Kpadeh Kollie	GCMCHT-PV-00113-2021	451818	Fund for contraceptive outreach for the quarter Oct.-Dec. 2021	3,080.00
10/21/2021	Check	Kpadeh Kollie	GCMCHT-PV-00082-2021	451792	Fund for District Data verification for the period July-September 2021	840.00
Total						9,430.00

Cause

- 3.8.1.27 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.8.1.28 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.8.1.29 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.8.1.30 Management should ensure that all payments for goods and services procured by the project should be made directly in the name of the vendor or its legally authorised representatives.
- 3.8.1.31 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.8.1.32 *We acknowledge this audit finding for the period under review. The MOH has put in place a direct mobile money payment to all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

3.9 River Gee County Health Team

Third Party Payments

Criteria

- 3.9.1.1 Regulation B.28 of the PFM Act of 2009 as restated in 2019 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.9.1.2 Paragraph 2.1.77 of IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligation or purchase goods and services for its benefit by third parties, or the entity has otherwise has verified that such payment has been made, the entity is encouraged to disclose in notes to the financial statements:
- Total payments made by such third parties; and
 - A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operation".

Condition

- 3.9.1.3 During the audit, we observed that transactions amounting to US\$5,329.76 were paid to various individuals for onward distribution. **See table 24 below.**

Table 24: Third party payment

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/16/2021	Check	Chris G Kamata	RGCHT-PV-00067-2021	1431059	Lunch and accommodation for Participant during reproductive health technical committee meeting	400.00
10/20/2021	Check	Chris G Kamata	RGCHT-PV-00036-2021	1431029	PBF allowances for facilities and staff(April-June 2021)	3,444.76
12/27/2021	Check	Chris G Kamata	RGCHT-PV-00075-2021	1431064	payment of incentive for weekend and holiday services at the health facilities by professional staff	720.00
12/16/2021	Check	Chris G Kamata	RGCHT-PV-00069-2021	1431061	Accommodation for participant during quarterly county JISS	270.00

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/16/2021	Check	Chris G Kamata	RGCHT-PV-00066-2021	1431058	Transportation and feeding for participant on monthly data entry	495.00
Total						5,329.76

Cause

- 3.9.1.4 Failure to comply with the Public Financial Management Regulations and non-usage of mobile money payments to third party created the condition above.

Risk

- 3.9.1.5 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.
- 3.9.1.6 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.9.1.7 Management should ensure that all payments for goods and services procured by the project are made directly in the name of the vendor or its legally authorised representatives.
- 3.9.1.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 3.9.1.9 *We acknowledge this audit finding for the period under review. The MOH has put in place a direct mobile money payment to all beneficiaries to avoid or resolve the issue of third-party payment.*

Auditor General's Position

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

3.10 FARA Central Office

Purchases made without Contract

Criteria

- 3.10.1.1 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act.

Condition

3.10.1.2 During the audit, we observed that Management made purchases amounting to US\$40,957.20 from an un-contracted vendor. **See table 27 below.**

Table 27: Purchases made without Contract

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
8/12/2021	Bill Payment	Super Petroleum Company	MOH-PV-00222-2021	1327045	Request for fuel for Orientation Meeting in Grand Bassa and Margibi	326.70
8/12/2021	Bill Payment	Super Petroleum Company	MOH-PV-00223-2021	1327046	Procurement of fuel for Administration	18,150.00
10/29/2021	Bill Payment	Super Petroleum Company	MOH-PV-00690-2021	1327058	Fuel request for monitoring visits to Margibi and Grand Bassa counties	988.00
11/15/2021	Bill Payment	Super Petroleum Company	MOH-PV-00762-2021	1327059	SUBJECT Fuel Request for Margibi Review Meeting	197.00
11/15/2021	Bill Payment	Super Petroleum Company	MOH-PV-00766-2021	1327060	Request for fuel support for field trip to Rivercess County	295.50
12/14/2021	Bill Payment	Super Petroleum Company	MOH-PV-00907-2021	1327062	Procurement of Fuel for Administration	21,000.00
Total						40,957.20

3.10.1.3 Also, we observed that a payment for the construction of new Ganta community clinic amounting to US\$42,463.30 to Sheruf Inc was not in line with contract terms: there was inconsistency in the percentage payment term documented in the approved contract.

3.10.1.4 Furthermore, additional payment of US\$98,987.33 to Sheruf Inc. as 50% payment for the additional construction work for Ganta and Palala Clinics on a separate contract was without bid documents submitted for review.

Cause

3.10.1.5 Failure to ensure that procurement processes are undertaken including the completion and authorization of vendors' contract before submitting funds resulted in the situation above.

Risk

3.10.1.6 Failure to adhere to procurement laws may lead to the non-achievement of value for money.

- 3.10.1.7 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.
- 3.10.1.8 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.
- 3.10.1.9 No adherence to the terms and conditions of the contract may lead to breach of contract, litigation, penalties and fines.

Recommendation

Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.

- 3.10.1.10 Management should ensure that all future procurement processes for all activities and sections under the central office are conducted and contracts awarded and forwarded to the respective implementing arm of the Ministry before disbursement of funds.
- 3.10.1.11 Evidence of approved contracts should be adequately documented and filed to facilitate future review.
- 3.10.1.12 Management should facilitate strict adherence to approved contracts terms and conditions to ensure value for money is achieved. All addendum to contract should be authorised by the relevant authorities. Evidence of approved contracts and approval to addendum should be adequately documented and filed to facilitate future review.

Management's Response

- 3.10.1.13 *There was a procurement process for all the transactions in Table 27; the box file is attached for your review.*
- 3.10.1.14 *We have also attached the bid document for the additional construction work done on the Ganta and Palala Clinics.*

Auditor General's Position

- 3.10.1.15 We acknowledge Management subsequent submission of documents after our audit execution. However, Management documentation on the supply of fuel and gas by Super Petroleum shows that the contract was awarded on November 2, 2021; whereas, purchases was made from Super Petroleum earlier as seen in table 27 dates above.
- 3.10.1.16 Management did not address the findings on the US\$42,463.30 to Sheruf Inc. not in line with contract terms as inconsistency was observed in the percentage payment term documented in the approved contract.
- 3.10.1.17 On the issue of the US\$98,987.33 to Sheruf Inc as 50% payment, we have reviewed the subsequent submission of bid documents and we have confirmed its availability in line with the Public Procurement Laws.

- 3.10.1.18 Also, Management provision of documents after our review, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.

Projects Contracts and Work plan

Criteria

- 3.10.1.19 Regulations A.3 of the Public Financial Management (PFM) Act of 2009 as restated in 2019 states" 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".

Condition

- 3.10.1.20 During the audit, we observed no evidence of contracts and workplan developed and approved for all eight counties for the six-months: July 1 to December 31, 2021. We further observed that workplan in use were soft copy workplan develop in house by some counties which could not be confirmed by the audit team by a valid contract/agreement signed with the Project Office.

Cause

- 3.10.1.21 Failure to ensure that the project agreement is adhere to before disbursing funds created the situation above.

Risk

- 3.10.1.22 Management disbursing of funds without a contract with the counties may lead to misappropriation of the project funds.
- 3.10.1.23 Approved activities and objectives of the project may not be achieved and/or not achieved within specified timelines.
- 3.10.1.24 Project deliverables may not be in line with approved specification and quality.

Recommendation

- 3.10.1.25 Management should provide copies of approved contracts and workplan of the CHTs in line with the project agreement.
- 3.10.1.26 Management should ensure that all contracts are signed with the counties and workplan develop based on the contract budgets and are filed to facilitate future review.
- 3.10.1.27 Management should facilitate periodic monitoring and evaluation of projects activities to

ascertain full compliance with the approved contract and workplan of the CHTs. Discrepancies identified should be adequately addressed in line with approved timelines. Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

3.10.1.28 We have attached all contract and work plan for your consideration.

Auditor General's Position

3.10.1.29 We acknowledge Management subsequent submission of contracts with the County Health Teams after our audit execution. However, Management did not submit workplans along with approved contracts for our verification for which actual expenditure were to be measured against, as required by section 4.2 of the contract. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Retroactive Procurement Contracting

Criteria

3.10.1.30 Section 37 'Public Notice of Contract Award' states that "The Procuring Entity shall promptly furnish the Commission notice of each contract awarded in which the price of the contract exceeds the applicable Thresholds establish by Regulations promulgated by the Commission indicating the reference number used in the bidding process, the contract price, the name and address of the successful bidder, a brief description of the goods, services or work procured and the procurement method utilized in awarding the contract. The Commission shall cause this information promptly to be Published."

Condition

3.10.1.31 During the audit, we observed that contracts awarded to vendors were retroactive. Management signed these procurement contracts during the year and were stated in the contract to commence from the beginning of the audit period.

Cause

3.10.1.32 Failure to submit these contracts to the PPCC for review may have led to these errors not been timely detected and corrected.

3.10.1.33 Failure to facilitate timely initiation and approval of contracts and/or Management's failure to obtain no objection from the PPCC before initiating transactions with vendors resulted in the condition above.

Risk

3.10.1.34 Management may be non-compliant with the PPC Act of 2005 as amended and restated in 2010 which may lead to the non-achievement of value for money.

3.10.1.35 In the absence of an approved contract, price may be hiked and the quality and required specification of goods and services delivered may be impaired.

3.10.1.36 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

3.10.1.37 Management should provide copies of approved contracts and workplan of the CHTs in line with the project agreement.

3.10.1.38 Management should ensure that all contracts are signed with the counties and workplan develop based on the contract budgets and are filed to facilitate future review.

3.10.1.39 Management should facilitate periodic monitoring and evaluation of projects activities to ascertain full compliance with the approved contract and workplan of the CHTs. Discrepancies identified should be adequately addressed in line with approved timelines. Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

3.10.1.40 We take notes of the audit findings and recommendations. Going forward, all contracts start dates will be the same as the procurement process end date. Over time, we have just been considering the fiscal period, not that a procurement transaction can begin before the process is completed.

Auditor General's Position

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