



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



On the USAID Sponsored MOH Health Partnership Project

For the Period Ended December 31, 2022

November 2024

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

Table of Contents

1	AUDIT SUMMARY	4
1.1	Background	4
1.2	Audit Objectives	4
1.3	Scope of Audit	5
1.4	Methodology	5
2	BRIEF SUMMARY OF AUDIT RESULTS	7
2.1	Questioned Costs on the Fund Accountability Statements	7
2.1	Questioned Costs on Noncompliance with Agreement Terms and Laws and Regulations	7
3	END-USE REPORT	8
3.1	Auditor General's Report on the Fund Accountability Statement.....	8
3.2	Auditor General's Report on Internal Control.....	16
3.3	Audit Findings on Internal Control.....	18
3.3.1	Nimba County Health Team.....	18
3.3.2	Grand Geddeh County Health Team	21
3.3.3	Bong County Health Team	23
3.3.4	Lofa County Health Team.....	29
3.3.5	Grand Cape Mount County Health Team.....	32
3.3.6	River Gee County Health Team.....	35
3.3.7	Margibi County Health Team (MCHT)	38
3.3.8	Grand Bassa County Health Team.....	42
3.4	Auditor General's Report on Compliance	48
3.5	Audit Findings on Compliance.....	50
3.5.1	Nimba County Health Team.....	50
3.5.2	Grand Geddeh County Health Team.....	52
3.5.3	Bong County Health Team	55
3.5.4	Lofa County Health Team.....	56
3.5.5	Grand Cape Mount County Health Team.....	59
3.5.6	River Gee County Health Team	63
3.5.7	Margibi County Health Team (MCHT)	66
3.5.8	Grand Bassa County Health Team.....	70
3.5.9	FARA Central Office	73

Republic of Liberia



TRANSMITTAL LETTER

November 27, 2024

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

TRANSMITTAL LETTER

Re: Auditor General's Report On Fund Accountability Statement, Internal Control And Compliance On The Audit Of The USAID Health Partnership Agreement Of The Ministry Of Health Activity No: 669-II-Do3.1-21-01 For G2G Partnership For Improved Health Outcomes In Liberia For The Period From 01 January 2022 To 31 December 2022 Through Development Objective No. 669-Doag-20-00 Between The Republic Of Liberia And The United States Of America For Fostering Self-Reliance By Spurring Private Sector Led Economic Expansion.

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
G2G	Government 2 Government
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 Health Partnership Agreement of the Ministry of Health Activity NO: 669-IL-DO3.1-21-01 for the G2G Partnership for Improved Health Outcomes for in Liberia for the Period from 01 January 2022 to 31 December 2022 Through Development Objective NO. 669-DOAG-20-00 between the Republic of Liberia and the United States of America.

1 AUDIT SUMMARY

1.1 Background

- 1.1.1.1 On January 18, 2022, an Implementation Letter No: 669-IL-DO3.1-21-01 for the G2G Partnership for Improved Health Outcomes Activity was signed between the Republic of Liberia and the United States of America through a Development Objective Agreement No: 669-DOAG-20-00 previously signed on May 22, 2020 for fostering self-reliance by spurring private sector led economic expansion through a focus on catalyzing reforms and cultivating a healthy, and educated workforce. An amount of US\$5.5 million was sub-obligated by the USAID upon signing of the implementation letter on January 18, 2022.
- 1.1.1.2 The Health Partnership Project is a six-year activity from 2022-2026. The project purpose is to stimulate government system to improve maternal newborn and child health, family planning and reproductive health, and malaria service delivery; improve the quality of health services at the point of care; increase institutional access to water; sanitation and hygiene; and decentralize health governance for marginalized rural populations in focus counties.
- 1.1.1.3 The Health Partnership Project is to commence from January 2022 to December 2026 activity completion date. However, the project activity may not continue beyond the Development Objective Agreement (DOAG) completion date which is September 30, 2025, unless the DOAG date is extended.
- 1.1.1.4 The Implementation Letter No: 669-IL-DO3.1-21-01 was later modified in March 2022 sub-obligating additional US\$8.1 million to the project totaling US\$13.6 million to date.
- 1.1.1.5 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 (now the USAID Financial Audit Guide for Foreign Organizations).

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-DO3.1-21-01 from 1 January 2022 to 31 December 2022 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 January 1, 2022 to December 31, 2022.

1.4 Methodology

1.4.1.1 We reviewed all documentation on the USAID sponsored MOH/Health Partnership 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/Health Partnership 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 Statement of the project's recipients (MOH/OFM), 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\$
No evidence of remittance of income taxes withheld	48,030.00
Wrong posting of transactions	10,555.00
Total	58,585.00

**Note: See sections 1.9.5 and 1.2.3 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 Section "H-Procurement" of the USAID Implementation Letter No: 669-IL-DO3.1-21-01.**

- 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	414,179.69
Non-compliance with Public Financial Management Regulations during the payment to third parties	178,663.63
Total	592,843.32

**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 No. 669-IL-DO3.1-21-01.

3 END-USE REPORT

3.1 Auditor General's Report on the Fund Accountability Statement

Opinion

- 3.1.1.1 We have audited the fund accountability statements of the USAID Health Partnership Project of the Ministry of Health (MOH) Activity No: 669-IL-DO3.1-21-01 in Liberia for the period January 1, 2022 to December 31, 2022 through Modification 01 of the Implementation Letter.
- 3.1.1.2 In our opinion, 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 of Opinion

- 3.1.1.3 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

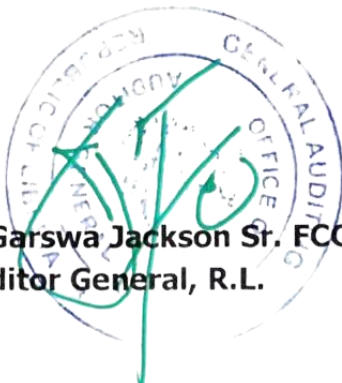
- 3.1.1.4 Management is responsible for the preparation and fair presentation of the Fund Accountability Statement in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS); this includes the design, implementation, and maintenance of internal control relevant to the preparation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

Auditor's Responsibility

- 3.1.1.5 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.
- 3.1.1.6 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.

- 3.1.1.7 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 Health Partnership Project Grant No. 669-IL- DO3.1-21-01

Fund Accountability Statement (FAS)

**January 1, 2022 to Dec. 31,
2022**

all amounts are in United States Dollars

	BUDGET	ACTUAL	QUESTION COSTS INELIGIBLE	UNSUPPORT ED COST US\$	NOTES
RECEIPTS	US\$	US\$			
Grant	-	7,640,585.14			
PAYMENTS					
079000-FARA Project					
4. Management Support	-	254,856.41		48,030.00	
Subtotal	-	254,856.41			
079100-					
1.0 FARA Management and Service	-	14,319.35			
2.Strengthen MOH Performance Ma	-	39,948.60			
3.Increase the Use of Primary	-	2,400.00			
7.0 Implementation of EPHS	-	1,019,613.83			
Subtotal	-	1,076,281.78			
079200					
1.0 Health Partnership Management	-	581,109.43			
2.0 Central Management	-	143,470.52			
3.0 County Implementation	-	4,791,939.91		603,398.32	
Subtotal	-	5,516,519.86			
Grand Total Payments	-	6,847,658.05		651,428.32	
Excess of receipts over payments	-	792,927.09			

**MINISTRY OF HEALTH
FIXED AMOUNT REIMBURSABLE AGREEMENT
STATEMENT OF RECEIPT AND PAYMENTS BY ACTIVITY
FOR THE PERIOD ENDED DECEMBER 31, 2022**

All amounts are in United States Dollars

	Notes	31-Dec-22 US\$
RECEIPTS		
079200- Hearth Partnership Project		7,640,585.14
Total receipt		7,640,585.14
PAYMENTS		
079000-FARA Project		
4. Management Support		254,856.41
Subtotal-079000-FARA Project		254,856.41
 079100-FARA2.0 Project Year 5 Extension (Jul_Dec-2021)		
1.0 FARA Management and Service		14,319.35
2.StrengthenMOH Performance Ma		39,948.60
3.Increase the Use of Primary H		2,400.00
7.0 Implementation of EPHS		1,019,613.38
Sub-total-079100-FARA2.0 Project Year 2 (FY-2017/2018)		1,076,281.78
 079200- Hearth Partnership Project Year 1 - 2022		
1.0 Health Partnership Management and Service		581,109.43
2.0 Central Management Program Activity		143,470.52
3.0 County Implementation/Increase Use of Facility and Commu		4,791,939.91
Sub-total-079200- Hearth Partnership Project Year 1 - 2022		5,516,519.86
Total		6,847,658.05
 Net Change in Cash		792,927.09

MINISTRY OF HEALTH
FIXED AMOUNT REIMBURSABLE AGREEMENT
STATEMENT OF BUDGET VERSUS ACTUAL
FOR THE PERIOD ENDED DECEMBER 31, 2022

all amounts are in United States Dollars

	Note	Budget US\$	Actual US\$	Variance US\$
079000-FARA Project				
4. Management Support		0.00	254,856.41	-254,856.41
Subtotal-079000-FARA Project		0.00	254,856.41	-254,856.41
079100-FARA2.0 Project)				
1.0 FARA Management and Service		0.00	14,319.35	-14,319.35
2.StrengthenMOH Performance Ma		0.00	39,948.60	-39,948.60
3.Increase the Use of Primary H		0.00	2,400.00	-2,400.00
7.0 Implementation of EPHS		0.00	1,019,613.83	-1,019,613.83
Subtotal		0.00	1,076,281.78	-1,076,281.78
079200- Hearth Partnership Project				
1.0 Health Partnership Management and Service		0.00	581,109.43	-581,109.43
2.0 Central Management Program Activity		0.00	143,470.52	-143,470.52
3.0 County Implementation/Increase Use of Facility and Community		0.00	4,791,939.91	-4,791,939.91
Subtotal		0.00	5,516,519.86	-5,516,519.86
Grand Total Payments		0.00	6,847,658.05	-6,847,658.05

Questioned Costs	US\$
1. Fund Accountability Statements	58,585.00
2. Compliance	
-Procurement	414,179.69
-Third Party Payments	178,663.63
Sub-total Compliance	592,843.32
Total Questioned Costs	651,428.32

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 Twelve (12) months of the Government's financial year, which runs from January 1, 2021 to December 31, 2022.

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

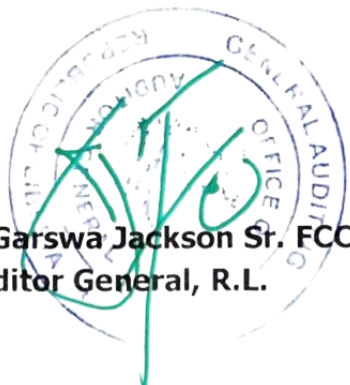
As at 31 December 2022 the bank and cash book balances are:

Account Name	Account Number	Bank Statements Beginning Bal Jan 1, 2022 Bal. US\$	Bank Statements Ending Bal. December 31, 2022 US\$ A	Cash Book Bal December 31, 2022 US\$ B	Variance C= A - B US\$
Bong County CHT	UBA53070310000238	86,200.00	7,151.73	-115,100.40	122,252.13
Lofa County CHT	Ecobank61000063192	13,366.50	128,566.34	44,877.21	83,689.13
Nimba County CHT	Ecobank61000354522	102,476.39	281,765.49	71,140.54	210,624.95
River Gee CHT	Ecobank6101656892	15,561.94	7,474.44	196,246.87	-188,772.43
Grand Geddeh FARA CHT	LBDI1821878382404	2,959.02	121,709.55	106,114.79	15,594.76
Grand Cape Mount CHT	LBDI221815258608	37,158.71	24,910.34	10,894.80	14,015.54
Margibi		35,380.67	104,827.98	48,395.92	56,432.06
Grand Bassa	SIB311205416201	98,451.24	3,409.20	609.20	2,800.00
Escrow FARA	CBL1502023630	23,271.39	43,426.92	43,379.92	47.00
MOH FARA V2.0	SIB11201991001	206,499.89	973,767.09	821,148.06	152,619.03
MOH USAID FARA Project Account	Ecobank6100064112	82,856.03	260,474.29	195,734.67	64,739.62
Total		704,181.78	1,957,483.37	1,423,441.58	534,041.79

3.2 Auditor General's Report on Internal Control

- 3.2.1.1 We have audited the fund accountability statement of the MOH/Health Partnership Project for the year ended December 31, 2022, 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. 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. 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 Irregularities

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\$39,846.00 at the Nimba County Health Team had no evidence of three or more persons signing goods received notes for both medical and non-medical inventory. See table 1 below.

Table 1: Inventory Management Medical Supplies Irregularities

Voucher No.	Date	Description	Cost USD
NCHT-00252-2022	8/9/2022	purchase of medical consumables/ supplies	9,998.00
NCHT-00239-2022	8/31/2022	purchase of medical consumables/ supplies	9,942.00
NCHT-PV-00182-2022	7/20/2022	Disbursement of funds for cleaning materials	9,976.00
NCHT-PV-00207-2022	10/8/2022	Purchase of Stationery and supplies	9,930.00
Total			39,846.00

- 3.3.1.5 Also, we observed that some items listed in the sample voucher above had inventory balance that could not be confirm due to inaccurate updates to the bin cards in the store room for medical supplies.

Cause

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

Risk

- 3.3.1.7 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.
- 3.3.1.8 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

- 3.3.1.9 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.
- 3.3.1.10 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 and etc.
- 3.3.1.11 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.
- 3.3.1.12 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.1.13 *We acknowledge the audit recommendations. Going forward, management will ensure the establishment of a control such that at least three authorized staff valid the receipt and distribution of drugs at the CHT Level.*

Auditor General's Position

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

Fuel and Communication Cards Discrepancies

Criteria

- 3.3.1.15 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

- 3.3.1.16 During the audit, we recomputed difference between fuel and gas procured to product subsequently distributed, as well as communication cards. Also, there was no evidence of balances brought forward and carry forward. See tables 3a & 3b below.

Table 3A: Analysis of variance in Fuel distribution

Period	Qty received per delivery note in (Gallons) A	Qty distributed as per store room release in (Gallons) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
20/05/2022	25,265	25,265	-	6.80	0.00
31/08/2022	6,010	4,740	1,270	6.80	8,636.00
29/12/2022	14,290	14,290	-	6.80	0.00
Total	45,565	44,295	1,270		8,636.00

Table 3B: Analysis of variance in Communication Cards distribution

Period	Qty received per delivery note in (Pieces) A	Qty distributed as per store room release in (Pieces) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
24/05/2022	1,830.00	1,645.00	185	5.00	925.00
24/05/2022	1,830.00	1,702.00	128	5.00	640.00
10/08/2022	1,830.00	1,830.00	-	5.00	0.00
21/04/2022	1,826.00	1,826.00	-	5.00	0.00
Total	7,316	7,003	313		1,565.00

Cause

- 3.3.1.17 Management failure to carry forward and/or account for unused fuel and communication cards procured resulted into the condition above.

Risk

- 3.3.1.18 In the absence of a report on the unexplained variance of fuel and communication cards, the authenticity of the fuel consumption and communication cards usage may not be assured.

- 3.3.1.19 Failure to maintain adequate records and fully account for unused petroleum products and communication cards procured and distributed may lead to misappropriation of the entity fuel and communication cards.

Recommendation

- 3.3.1.20 Management should develop, approve and operationalize petroleum products and communication cards consumption policy to regulate the procurement, storage, distribution and reporting of fuel and communication cards.
- 3.3.1.21 Management should maintain petroleum products and communication cards consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 3.3.1.22 Management should perform a periodic reconciliation between the fuel and communications cards procured and distributed. Differences observed should be adequately documented and carry forward.

Management's Response

- 3.3.1.23 *The total gallons of fuel procured as at August 31, 2022 as established from our record is 5,700 gallons and not 6,010 gallons as indicated in the draft audit write up, the total of 5,700 gallons was distributed as per the fuel distribution log. As it relates to scratch cards, said amount of communication cards were purchased and distributed to its end users as the distribution list are attached to our payment vouchers. We are again resubmitting all concern vouchers for review. We also take note of your recommendation regarding the establishment of consumption policy in fuel and scratch cards.*

Auditor General's Position

- 3.3.1.24 We acknowledge Management's subsequent provision of documents after our audit execution to substantiate the total of 5,700 gallons purchased and distributed as asserted. However, 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.
- 3.3.1.25 The documents subsequently provided by Management relative to communication cards procured and distributed did not address our variances observed. Therefore, we maintain our findings in this regard.

3.3.2 Grand Geddeh County Health Team

Inventory Management Non-Medical Supplies 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 were unable to review inventory management over non-medical inventory due to the nonexistence of controls over the warehouse that stores non-medical inventories.

Cause

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

3.3.2.6 Management's failure to facilitate the implementation of prior year recommendations resulted into the condition above.

Risk

3.3.2.7 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.

Recommendation

3.3.2.8 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.

3.3.2.9 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 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.

3.3.2.10 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable. All inventory records including

records of stock takes, 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.

3.3.2.12 Management should ensure that all audit recommendations are fully implemented.

Management's Response

3.3.2.13 *The GGCHT has initiated an automated inventory management system, the system can now accurately do recording of inventories such as; current stock balance, reordering level, stock-out level and etc. Also, a periodic stock taking of inventories is on-going at the CHT warehouses. Our team is at the same time doing recording of all inventories.*

Auditor General's Position

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

3.3.3 Bong County Health Team

Inventory Management Medical and Non-Medical

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."

- 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

3.3.3.3 During the audit, we observed the following discrepancies from a sample of medical and non-medical supplies totalling US\$27,940.00:

- GRN and Delivery note were not signed by warehouse supervisor, logistics officer, and compliance officer for both medical and non-medical supplies. **See table below:**

- For some items on vouchers number #BCHT-PV-00239-2022 and #BCHT-PV-00136-2022 for non-medical items, accuracy of the inventory closing balance as inspection of the stock cards showed that items were not recorded.
- The number of items received by the warehouse is different from the amount indicated on the Goods received and delivery notes for injection ampicillin 500mg on voucher number #BCHT-PV-00113-2022. Despite this, calculations showed an Accurate inventory closing balance which does not corroborate with the source documents for medical supplies.

See table 6 below.

Table 6: Inventory Management Medical and Non-Medical

Voucher No.	Date	Description	Amount US\$
BCHT-PV-00239-2022	12/27/2022	Purchase of cleaning materials	9,990.00
BCHT-PV-00136-2022	09/11/2022	Purchase of cleaning materials	9,950.00
BCHT-PV-00113-2022	8/16/2022	purchase of drugs and medical supplies	8,000.00
Total			27,940.00

Cause

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

Risk

- 3.3.3.5 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.
- 3.3.3.6 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

- 3.3.3.7 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.
- 3.3.3.8 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.

- 3.3.3.9 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.
- 3.3.3.10 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.3.11 *Management acknowledges that during the audit period, the BCHT warehouse manager was frequently absent from the office and subsequently resigned. The assistant manager was responsible for maintaining documents, intending to have the warehouse manager sign them before distributing to other parties, a process that was not completed until the audit. However, the essential documents (GRN & Delivery note) were ultimately signed to ensure the legitimacy of the transactions. Relevant documents are available for verification.*
- 3.3.3.12 *The absence of the warehouse manager posed challenges in accurately recording received goods, leading to difficulties for the assistant warehouse officer. Consequently, BCHT recruited a competent staff member to fill the position and effectively manage warehouse operations going forward. Attached is an email sent Central Ministry which is responsible for employment has sent.*

Auditor General's Position

- 3.3.3.13 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.

Fuel and Communication Cards Discrepancies

Criteria

- 3.3.3.14 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

- 3.3.3.15 During the audit, we performed a reconciliation between quantity procured to quantity subsequently distributed for fuel and communications cards and observed variances amounting to US\$20,913.90 and US\$2,635.00 respectively, see table below. Also, there was no evidence of balances brought forward and carried forward. **See tables 7a & 7b below**

Table 7A: Analysis of variance in Fuel distribution

Period	Qty received per delivery note in (Gallons) A	Qty distributed as per store room release in (Gallons) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
Apr-22	2,091	1,946	145	6.00	870.00
Apr-22	1,800	1,800	-	6.00	0.00
Jun-22	905	905	-	6.00	0.00
Jun-22	2,161	2,161	-	6.00	0.00
Jun-22	488	1,020	(532)	6.00	-3,192.00
Jun-22	1,500	1,541	(41)	6.00	-246.00
Jun-22	494	698	(204)	6.00	-1,224.00
Aug-22	22	-	22	7.80	171.60
Aug-22	1,282	2,681	(1,399)	7.80	-10,912.20
Aug-22	951	-	951	7.80	7,417.80
Aug-22	1,034	1,034	-	7.80	0.00
Aug-22	1,035	1,035	-	7.80	0.00
Sep-22	19	-	19	7.80	144.30
Sep-22	1,280	1,280	-	7.80	0.00
Sep-22	1,280	633	647	7.80	5,046.60
Sep-22	1,280	1,280	-	7.80	0.00
Sep-22	1,280	1,280	-	7.80	0.00
06/10/2022	1,280	1,280	-	7.80	0.00
Oct-22	1,280	1,280	-	7.80	0.00
Oct-22	1,280	1,280	-	7.80	0.00
Oct-22	1,280	1,280	-	7.80	0.00
Dec-22	1,388	1,388	-	6.00	0.00

Period	Qty received per delivery note in (Gallons) A	Qty distributed as per store room release in (Gallons) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
Dec-22	1,393	789	604	6.00	3,624.00
Dec-22	1,388	834	554	6.00	3,324.00
Dec-22	278	120	158	6.00	949.80
Dec-22	1,611	1,213	398	6.00	2,388.00
Dec-22	1,611	1,130	481	6.00	2,886.00
Dec-22	1,611	1,611	-	6.00	0.00
Dec-22	1,388	1,388	-	6.00	0.00
Dec-22	1,388	1,388	-	6.00	0.00
Dec-22	1,611	1,611	-	6.00	0.00
Dec-22	1,393	1,393	-	6.00	0.00
Dec-22	1,611	-	1,611	6.00	9,666.00
Total	40,693	37,279	3,414		20,913.90

Table 7B: Analysis of variance in Communication Cards distribution

Period	Qty received per delivery note in (Pieces) A	Qty distributed as per store room release in (Pieces) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
24/05/2022	1,740.00	1,200	540.00	5.00	2700
19/12/2022	332.00	332	-	5.00	0
08/09/2022	126.00	109	17.00	5.00	85
11/08/2022	870.00	900	(30.00)	5.00	-150
Total	3,068	2,541	527		2,635.00

Cause

- 3.3.3.16 Management failure to carry forward and/or account for unused fuel and communication cards procured resulted into the condition above.

Risk

- 3.3.3.17 In the absence of a report on the unexplained variance of fuel and communication cards, the authenticity of the fuel consumption and communication cards usage may not be assured.
- 3.3.3.18 Failure to maintain adequate records and fully account for unused petroleum products and communication cards procured and distributed may lead to misappropriation of the entity fuel and communication cards.

Recommendation

- 3.3.3.19 Management should develop, approve and operationalize petroleum products and communication cards consumption policy to regulate the procurement, storage, distribution and reporting of fuel and communication cards.
- 3.3.3.20 Management should maintain petroleum products and communication cards consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 3.3.3.21 Management should perform a periodic reconciliation between the fuel and communications cards procured and distributed. Differences observed should be adequately documented and carry forward.

Management's Response

- 3.3.3.22 *Regarding Table 7A, Management acknowledged that some slips were misplaced during the audit due to the large volume of slips. However, after a comprehensive search, these slips have been found and are now accessible for review.*
- 3.3.3.23 *Concerning Table 7B, the utilization log and distribution log related to the highlighted variances in communication cards have been located post-audit and are ready for review.*
- 3.3.3.24 *In response to the recommendation, Management has taken steps to develop policies governing the storage, distribution, and use of petroleum products and communication cards. These policies are expected to be finalized by the end of May 2024.*

Auditor General's Position

- 3.3.3.25 We acknowledge Management subsequent submission of documents after our audit execution. However, documentation provided for communication cards does not account for the amount of the variance noted. Also, documentation on fuel provided does not adequately address the findings (variance) raised. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.4 Lofa County Health Team

Inventory Management Non-Medical 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 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."
- 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

- 3.3.4.3 During the audit, we observed the following discrepancies from a sample of medical and non-medical supplies totalling US\$23,207.00:
- GRN and Delivery note were not signed by warehouse supervisor, logistics officer, and compliance officer for both medical and non-medical supplies. While voucher number LCHT-PV-00056-2022 did not have a GRN. **See table below:**
 - For voucher number LCHT-PV-00056-2022 of non-medical supplies, we could not verify if goods were supplied or updated in the inventory records as requisition forms were not available and there was no evidence of goods being recorded on the stock cards.
 - For most items of both medical and non-medical on the sample of vouchers review, we could not confirm the accuracy of inventory closing balances as goods received were not updated on the stock cards. **See table 8 below.**

Table 8: Inventory Management Non-Medical and Medical Supplies

Voucher No.	Date	Description	Amount US\$
LCHT-PV-00168 -2022	10/17/2022	purchase of Drugs and medical consumables	7,942.00
LCHT-PV-00151 -2022	10/02/2022	purchase of Drugs and medical consumables	8,515.00
LCHT-PV-0039-2022	4/22/2022	Spare parts for LCHT vehicles	4,300.00
LCHT-PV-00056-2022	05/12/2022	Purchase of office Stationery	2,450.00
Total			23,207.00

Cause

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

Risk

- 3.3.4.5 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.
- 3.3.4.6 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

- 3.3.4.7 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.
- 3.3.4.8 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 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.
- 3.3.4.10 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.4.11 *We have attached the goods received notes and all supporting documents for your verification.*

Auditor General's Position

- 3.3.4.12 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.

Fuel and Gas Discrepancies

Criteria

- 3.3.4.13 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

- 3.3.4.14 During the audit, we performed a reconciliation between fuel quantity procured to quantity subsequently distributed and observed variances amounting to US\$1,994.13, see table below. Also, there was no evidence of balances brought forward and carried forward **See tables 10 below.**

Table 10: Analysis of variance in Fuel distribution

Period	Qty received per delivery note in (Gallons) A	Qty distributed as per store room release in (Gallons) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
14/10/2022	1,052	700	352	7.54	2,657.10
14/10/2022	1,052	1,165	(113)	7.54	(849.00)
14/10/2022	1,052	1,026	26	7.54	196.04
26/04/2022	1,902	1,904	(2)	5.00	(10.00)
Total	5,059	4,795	264		1,994.13

Cause

- 3.3.4.15 Management failure to carry forward and/or account for unused fuel procured resulted into the condition above.

Risk

- 3.3.4.16 In the absence of a report on the unexplained variance of fuel, the authenticity of the fuel consumption and communication cards usage may not be assured.
- 3.3.4.17 Failure to maintain adequate records and fully account for unused petroleum products procured and distributed may lead to misappropriation of the entity fuel.

Recommendation

- 3.3.4.18 Management should develop, approve and operationalize petroleum products consumption policy to regulate the procurement, storage, distribution and reporting of fuel.
- 3.3.4.19 Management should maintain petroleum products consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 3.3.4.20 Management should perform a periodic reconciliation between the fuel procured and distributed. Differences observed should be adequately documented and carry forward.

Management's Response

- 3.3.4.21 *Management will establish and maintain a log of petroleum product consumption and distribution to help the entity manage costs and inform future purchases. We will also draft a policy on petroleum products.*

Auditor General's Position

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

3.3.5 Grand Cape Mount County Health Team

Inventory Management Non-Medical Supplies

Criteria

- 3.3.5.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

- 3.3.5.2 During the audit, we observed the following discrepancies from a sample of non-medical supplies totalling US\$15,280.00 for the below vouchers in Table 17 below:
- No evidence of goods updated in the inventory record. Stock cards were not made available for audit purposes.
 - No evidence of inventory supplied. Storeroom requisition forms and stock cards were not made available for audit purposes.
 - There accuracy of inventory closing balances could not be confirmed as there was no documentation (Stock cards) available to test the brought forward items, inventory received and supplied.

Table 17: Inventory Management Non-Medical Supplies.

Voucher No.	Date	Description	Amount US\$
GCMCHT-PV-00231-2022	December 28, 2022	Purchase of building materials	3,970.00
GCMCHT-PV-00197-2022	December 6, 2022	Purchase of motor bikes spare parts	4,875.00

Voucher No.	Date	Description	Amount US\$
GCMCHT-PV-00178-2022	September 16, 2022	purchase of cleaning materials	6,435.00
Total			15,280.00

Cause

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

Risk

- 3.3.5.4 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.
- 3.3.5.5 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

- 3.3.5.6 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.
- 3.3.5.7 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.
- 3.3.5.8 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 filed to facilitate future review.
- 3.3.5.9 A post review of the inventory records should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.5.10 *We have attached the three vouchers with all necessary supporting documents.*

Auditor General's Position

- 3.3.5.11 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 inventories at the warehouse. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Fuel and Gas Discrepancies

Criteria

- 3.3.5.12 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

- 3.3.5.13 During the audit, we performed a reconciliation between fuel quantity procured to quantity subsequently distributed and observed variances amounting to US\$98,670.82, see table below. Also, there was no evidence of balances brought forward and carried forward. See tables 19 below.

Table 19: Analysis of variance in Fuel distribution

Period	Qty distributed as per store room release in (Gallons) A	Qty received per delivery note in (Gallons) B	Variance C=A-B	Unit cost US\$ D	Amount US\$ E=C*D
May	4,454.00	4,626.90	-172.90	6.00	26,724.00
August	2,251.00	2,340.00	-89.00	7.20	16,207.20
September	6,064.00	6,498.20	-434.20	6.00	36,384.00
October	707.00	353.00	354.00	5.66	4,001.62
December	2,559.00	2,000.00	559.00	6.00	15,354.00
Total	16,035.00	15,818.10	216.90		98,670.82

Cause

- 3.3.5.14 Management failure to maintain adequate records of fuel and Gas procured and distributed resulted into the condition above.

Risk

- 3.3.5.15 Failure to maintain adequate records of fuel and gas procured and distributed may lead to misappropriation of the entity fuel.

Recommendation

- 3.3.5.16 Management should develop, approve and operationalize petroleum consumption policy to regulate the procurement, storage, distribution and reporting of fuel.

3.3.5.17 Management should maintain petroleum products consumption and distribution logs to aid the entity manage cost and inform future purchase.

3.3.5.18 Management should perform a periodic reconciliation between the procured and distributed. Differences observed should be adequately documented and carry forward.

Management's Response

3.3.5.19 We have re-created table 19 (Analysis of variance in Fuel distribution), using the same voucher used by the audit team and the results are different. We have attached the concern vouchers for your review and reconsideration.

Grand Cape Mount County fuel analysis for fiscal year 2022					
Period	Qty Received per Delivery note in gallons	Qty Distributed as per Store room Released in gallons	Variance C=A-B	Unit Cost USD\$ D	Amount USD\$ E=C*D
May	3,876.90	3,875	1.90	6	11.4
August	2,240	2,240	0.00	6.9	-
September	3,332.66	3,326	6.66	6	39.96
October	353.356	351	2.36	5.66	13.33
December	2,000	2,000	0.00	6	-
	11,802.92	11,792			64.69

Auditor General's Position

3.3.5.20 Management assertion did not adequately address the issue raised. The information in the document submitted by Management did not reconcile with the fuel quantity received and subsequently distributed, as asserted in the table presented in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.6 River Gee County Health Team

Inventory Management Non-Medical Irregularities

Criteria

3.3.6.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

3.3.6.2 During the audit, we observed that a non-medical supplies GRN and delivery note were not signed by warehouse supervisor. Brake shoes, engine oil, Grease and fan belt amounting to US\$635.00 were not seen recorded on the stock cards.

Cause

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

Risk

- 3.3.6.4 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.
- 3.3.6.5 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

- 3.3.6.6 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.
- 3.3.6.7 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.
- 3.3.6.8 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 filed to facilitate future review.
- 3.3.6.9 A post review of the inventory records should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.6.10 *Management did not respond to this finding.*

Auditor General's Position

- 3.3.6.11 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.

Fuel and Gas Discrepancies

Criteria

- 3.3.6.12 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

- 3.3.6.13 During the audit, we performed reconciliation between fuel quantity procured to quantity subsequently distributed and observed variances amounting to US\$20,048.00, see table below. Also, there was no evidence of balances brought forward and carried forward. **See tables 23 below.**

Table 23: Analysis of variance in fuel distribution

Period	Qty received per delivery note in (Gallons) A	Qty distributed as per store room release in (Gallons) B	Variance C= A-B	Unit cost US\$ D	Amount US\$ E=C*D
21/04/2022	2,000	2,000	-	7.00	0.00
22/04/2022	2,060	2,060	-	5.00	0.00
21/04/2022	600	600	-	5.00	0.00
21/04/2022	616	-	616	8.00	4,928.00
31/08/2022	1,200	-	1,200	8.00	9,600.00
05/08/2022	1,190	1,190	-	6.00	0.00
31/08/2022	1,000	1,000	-	7.50	0.00
04/08/2022	1,650	885	765	6.00	4,590.00
05/08/2022	750	750	-	6.00	0.00
31/08/2022	1,300	1,297	3	7.50	22.50
31/08/2022	690	690	-	8.00	0.00
31/08/2022	666	666	-	7.50	0.00
06/08/2022	333	323	10	6.00	60.00
06/09/2022	138	138	-	5.00	0.00
22/09/2022	500	500	-	7.50	0.00
03/10/2022	600	600	-	7.50	0.00
11/10/2022	240	240	-	8.00	0.00
03/10/2022	400	307	93	7.50	697.50
03/10/2022	460	440	20	7.50	150.00
29/11/2022	160	160	-	6.50	0.00
Total	16,553	13,846	2,707		20,048.00

Cause

- 3.3.6.14 Management failure to maintain adequate records of fuel and gas procured and distributed resulted into the condition above.

Risk

- 3.3.6.15 In the absence of a report on the unexplained variance of fuel, the authenticity of the fuel consumption may not be assured.
- 3.3.6.16 Failure to maintain adequate records and fully account for unused petroleum products procured and distributed may lead to misappropriation of the entity's fuel.

Recommendation

- 3.3.6.17 Management should develop, approve and operationalize petroleum consumption policy to regulate the procurement, storage, distribution and reporting of fuel.
- 3.3.6.18 Management should maintain petroleum products consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 3.3.6.19 Management should perform periodic reconciliation between the fuel procured and distributed. Differences observed should be adequately documented and carried forward.

Management's Response

- 3.3.6.20 *Well, noted. We have attached all necessary liquidation documents for review.*

Auditor General's Position

- 3.3.6.21 Management's assertion was not backed by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.7 Margibi County Health Team (MCHT)

Inventory Management Non-Medical and Medical Supplies Irregularities

Criteria

- 3.3.7.1 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."
- 3.3.7.2 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."
- 3.3.7.3 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

3.3.7.4 During the audit, we observed the following discrepancies from a sample of non-medical supplies amount to US\$24,804.00:

- No evidence of signature from the warehouse supervisor, compliance and logistics officers on delivery notes for non-medical supplies. No evidence of goods being updated in the inventory record as stock cards not available for both non-medical and medical inventories.
- No evidence of GRNs. Delivery notes were not signed by compliance warehouse supervisor, logistics officer or compliance officer. Delivery note appeared to have been duplicated and attached to voucher number MCHT-PV-00161-2022. No evidence of goods being updated in the inventory record. Stock cards were not made available for audit purpose.
- No evidence of GRNs. Delivery notes were available, however, they were not signed by warehouse supervisor, logistics officer or compliance officer. Delivery note may have been duplicated and attached to voucher number MCHT-PV-00156-2022. No evidence of goods being updated in the inventory record. Stock cards were not made available for audit purpose.
- Storeroom requisition forms and stock cards were not available for both medical and non-medical supplies for sample of voucher review.
- The accuracy of inventory closing balances could not be confirmed. There was no documentation (Stock cards) available to test the brought forward items received and supplied for both non-medical and medical inventories. **See table 12 below.**

Table 12: Inventory Management Non-Medical and Medical Supplies

Voucher No.	Date	Description	Amount US\$
MCHT-PV-00156-2022	10/12/2022	purchase of medical and non-medical consumables	8,400.00
MCHT-PV-00161-2022	10/12/2022	purchase of medical and non-medical consumables	9,445.00
MCHT-PV-00078-2022	6/23/2022	Purchase of assorted stationery and supplies	2,000.00
MCHT-PV-00245-2022	12/30/2022	Purchase of assorted sanitation materials for renovation of 4 health facilities	4,959.00
Total			24,804.00

Cause

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

Risk

3.3.7.6 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.

- 3.3.7.7 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

- 3.3.7.8 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.
- 3.3.7.9 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.
- 3.3.7.10 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.
- 3.3.7.11 A post review of the inventory record should be performed periodically by the Compliance Officer.

Management Response:

- 3.3.7.12 *The management of the Margibi County Health Team (MaCHT) hereby accepts that the necessary warehouse management policy was not adequately adhered to. However, the new management team, in line with the Ministry of Health (MOH), has put in place control measures that will help to mitigate future audit ramifications.*

Auditor General's Position

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

Fuel and Gas Discrepancies

Criteria

- 3.3.7.14 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

- 3.3.7.15 During the audit, we performed a reconciliation between fuel quantity procured to quantity subsequently distributed and observed variances amounting to US\$2,766.00, see table below. Also, there was no evidence of balances brought forward and carried forward. **See tables 14 below.**

Table 14: Analysis of variance in Fuel distribution

Period	Qty distributed as per store room release in (Gallons) A	Qty received per delivery note in (Gallons) B	Variance (Qty) C=A-B	Unit cost US\$ D	Amount US\$ E=D*C
May 30, 2022	3,587	3,324	263	6.00	1,578.00
May 30, 2022	3,766	3,568	198	6.00	1,188.00
September 27, 2022	247	247	-	7.00	0.00
Total	7,600	7,139	461		2,766.00

Cause

- 3.3.7.16 Management failure to carry forward and/or account for unused fuel procured resulted into the condition above.

Risk

- 3.3.7.17 In the absence of a report on the unexplained variance of fuel, the authenticity of the fuel consumption usage may not be assured.
- 3.3.7.18 Failure to maintain adequate records and fully account for unused petroleum products procured and distributed may lead to misappropriation of the entity fuel.

Recommendation

- 3.3.7.19 Management should develop, approve and operationalize petroleum products consumption policy to regulate the procurement, storage, distribution and reporting of fuel.
- 3.3.7.20 Management should maintain petroleum products consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 3.3.7.21 Management should perform a periodic reconciliation between the fuel procured and distributed. Differences observed should be adequately documented and carry forward.

Management's Response

3.3.7.22 Management observed that no transactions were made on May 30, 2022, which resulted in a variance of 461 gallons of unexplained fuel usage.

3.3.7.23 Justification: After a careful review of the cash book for the period audited (January 1, 2022 – December 31, 2022), we observed that no transactions were reflected as indicated in the GAC findings. Secondly, the check stubs for the period audited showed no evidence of transactions, as mentioned in the GAC audit findings. These records may have been from another entity instead of Margibi CHT.

Auditor General's Position

3.3.7.24 Management assertion does not adequately address the issue raised. Management made three purchases on the dates mentioned in the finding above as seen in the table below.

Date	Vendor	Voucher Number	Amount US\$
May 30, 2022	God's Willing Inc	MCHT-PV-00065-2022	5,295.00
May 30, 2022	God's Willing Inc	MCHT-PV-00064-2022	5,400.00
September 27, 2022	God's Willing Inc	MCHT-PV-00122-2022	1,729.00
Total			12,424.00

3.3.7.25 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

3.3.8 Grand Bassa County Health Team

No Warehouse for Non-Medical Supplies

Criteria

3.3.8.1 Section 11.1 of the MOH Financial Procedure Manual "Objective of the MOH Stock System" states, "The objectives of the MOH's stock system are to ensure that: Stock items are safeguarded against theft, misuse, damage, and obsolescence".

Condition

3.3.8.2 We observed during the audit that the GBCHT does not have a warehousing system in place to store non-medical inventory. Items procured were observed from documentation to be purchased on a Just-In-Time basis and delivered for immediate use.

Cause

3.3.8.3 Management failure to institute a warehousing system before requesting funds to be disburse resulted into the condition above.

Risk

3.3.8.4 Failure to establish a warehouse and effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss of essential health services materials.

- 3.3.8.5 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

- 3.3.8.6 Management should establish a warehousing facility for non-medical supplies to facilitate a point of receipt and storage of inventory. Further, Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level, stock-out level, etc.
- 3.3.8.7 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.
- 3.3.8.8 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.
- 3.3.8.9 A post review of the inventory records should be performed periodically by the Compliance Officer.

Management's Response

- 3.3.8.10 *The Grand Bassa County Health Team has embarked on a warehouse system to ensure a proper stock management system. The process is ongoing to ensure non-medical commodities are safeguarded against theft, misuse, damage, and obsolescence.*

Auditor General's Position

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

FARA Project Compliance Officers

Criteria

- 3.3.8.12 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

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

3.3.8.14 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 note as evidence of inspection of goods delivered.
- Signing of cash payment listing as evidence of his/her verification of payments for various program activities.
- Signing 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.

3.3.8.15 Also, it was noted that the River Gee CHT was the only CHT without an assigned Compliance Officer.

Cause

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

Risk

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

3.3.8.18 Checks and balances in management operations may be impaired.

Recommendation

- 3.3.8.19 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

- 3.3.8.20 *We acknowledge your recommendations and will take the necessary actions to get the Compliance Officers fully functional.*

Auditor General's Position

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

Goods Received Notes Discrepancies

Criteria

- 3.3.8.22 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."
- 3.3.8.23 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."

Condition

- 3.3.8.24 During the audit, we observed that the control place on the automated Goods Receive Note (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. This was not evidenced by their respective signatures on the GRN for all CHT's and Central Office at the MoH.
- 3.3.8.25 It was further noted that copy of a GRN was not issued the vendor upon delivery as evidence of receipt of goods from the vendor.

Cause

- 3.3.8.26 Failure to adequately design a GRN that require signature of those positions named resulted in the situation above.

Risk

- 3.3.8.27 Payments may be made for goods not/under received.
- 3.3.8.28 The quality of goods received may not be consistent with predetermined, approved, contracted specification.

3.3.8.29 The completeness, existence and accuracy of inventories may be misstated.

Recommendation

3.3.8.30 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.

3.3.8.31 Management should ensure that copy of the GRN is issued to the vendor and a log is signed by the vendor for the GRN issued.

Management's Response

3.3.8.32 *We acknowledge the audit recommendation, but MOH's current system design has no provision for their inclusion. Management will review and revert to your recommendation.*

Auditor General's Position

3.3.8.33 We acknowledge Management's acceptance of our recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

Fixed Assets (ALL CHTs)

Criteria

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

Condition

3.3.8.35 During the audit, we observed the following irregularities 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

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

Risk

- 3.3.8.37 Fixed assets may be damaged or impaired, but their values are still on the books.
- 3.3.8.38 Fixed assets may be removed from the CHTs premises without authorization, misappropriated, subjected to personal use or theft.
- 3.3.8.39 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.
- 3.3.8.40 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.
- 3.3.8.41 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

- 3.3.8.42 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.
- 3.3.8.43 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

- 3.3.8.44 *Management will take note of your recommendation and take the necessary actions to avoid these risks.*

Auditor General's Position

- 3.3.8.45 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/Health Partnership Project for the period ended December 31, 2022 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 statement amounts.

- 3.4.1.3 Compliance with agreement terms and laws and regulations applicable to the MOH/Health Partnership Project is the responsibility of the MOH Managements. As part of obtaining reasonable assurance about whether the Fund Accountability Statement is free of material misstatement, we performed tests of the MOH/Health Partnership 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.

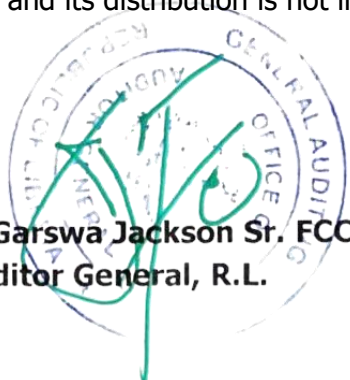
- 3.4.1.4 Material instances of noncompliance are failures to follow requirements or violations of agreement terms and laws and regulations that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the Fund Accountability Statement. The results of our compliance tests disclosed the following material instances of noncompliance, the effects of which are shown as questioned costs in MOH/Health Partnership Project fund accountability Statement for the period ended December 31, 2022:

- 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\$414,179.69 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 Section "H – Procurement" of the Implementation Letter No: 669-IL-DO3.1-21-01 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\$178,663.63 of goods and services to be employed in connection with the Health Partnership Project to a third party that is not the legally authorized representatives; thus, non-complying with financial laws. Requirements of "Regulation B.28 of the PFM Act of 2009 as restated in 2019". 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, 2022, 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/Health Partnership 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\$85,781.00 were paid to various individuals for onward distributions. See table 2 below.

Table 2: Third party payments

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
06/09/2022	Paul O Zwuogbae	NCHT-PV-00246-2022	1599551	Payment for Facilities performance bonus under the G2G program for the quarter of January to March 2022	37,591.98
20/04/2022	FELTON M GWEH	NCHT-PV-00079-2022	1524991	Payment for facility staff in the various facilities for October to December 2021	16,114.74
21/11/2022	Paul O Zwuogbae	NCHT-PV-00332-2022	26061	Payment of DSA for 19 CHT Staff and 4 Drivers that are participating in 6 days FARA G2G County Planning in Ganta under Health Partnership project from November 21-26, 2022	8,460.00
15/07/2022	Paul O Zwuogbae	NCHT-PV-00177-2022	1599490	Payment of support for Joint supportive supervision from April to June 2022	7,065.00
09/08/2022	FELTON M GWEH	NCHT-PV-00201-2022	1599513	Payment of DSA for quarterly district contraceptive campaign for	4,920.00

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
				quarter 2 April to June 2022	
18/03/2022	FELTON M GWEH	NCHT-PV-00077-2022	1524989	Payment of administrative Bonus for the period of July to September 2020.	4,574.41
11/05/2022	FELTON M GWEH	NCHT-PV-00119-2022	1599451	Payment of DSA for County Data Validation for quarter 1 January to March 2022	3,500.00
09/08/2022	FELTON M GWEH	NCHT-PV-00202-2022	1599514	Payment of DSA for district support for reports collection and DATA validation for 42 staff of DHT under the partnership project for quarter 2 April to June 2022.	3,375.00
29/12/2022	Angeline Beangar	NCHT-PV-00441-2022	26130	Payment for Electricity support for Tappita DHT office for the period sept. to December 2022	180.00
Total					85,781.13

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 payment 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, but has put in place a direct mobile money payment to all beneficiaries to 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.

3.5.2 Grand Gedeh County Health Team

Purchases made without Contract

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, Management did not submit procurement documents for all the planned procurement activities for the Grand Geddeh County. The total of US\$228,922.77 was spent on goods and services without evidence of a contract.

Cause

- 3.5.2.3 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

- 3.5.2.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.2.5 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.
- 3.5.2.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.2.7 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.2.8 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.

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

Management's Response

- 3.5.2.10 *During the audit, all the bid documents and contracts were at the central Ministry of Health. We have attached all for review.*

Auditor General's Position

- 3.5.2.11 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.

Third Party Payments

Criteria

- 3.5.2.12 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."
- 3.5.2.13 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

- 3.5.2.14 During the audit, we observed during that transactions amounting to US\$11,265.00 were paid to an individual for onward distributions. See table 5 below.

Table 5: Third Party Payments

Date	Type	Payee	Voucher Number	check/R eference Number	Description	Amount US\$
10/09/20 22	Check	Victor Gee	GGCHT-PV- 00181-2022	478106	EPI/MCH outreach activities quarter three (3)	5,820.00
10/09/20 22	Check	Victor Gee	GGCHT-PV- 00177-2022	478102	Conduct district data validation quarter three (3)	3,240.00
08/12/20 22	Check	Victor Gee	GGCHT-PV- 00246-2022	499863	DSA payment for County quarterly JISS for quarter- 4, 2022	900.00
10/09/20	Check	Victor	GGCHT-PV-	478096	Konobo district medical	540.00

Date	Type	Payee	Voucher Number	check/R eference Number	Description	Amount US\$
22		Gee	00171-2022		outreach supervisors perdiem quarter three(3)	
08/12/20 22	Check	Victor Gee	GGCHT-PV- 00242-2022	499859	Transportation and Accommodation Reimbursement for District QRM participants for quarter-4, 2022	390.00
08/12/20 22	Check	Victor Gee	GGCHT-PV- 00237-2022	499854	Lunch support for EHT supervisors monitoring WASH activities across the County (for Quarter-4, 2022), 2022, (G2G Q1)	375.00
Total						11,265.00

Cause

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

Risk

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

Recommendation

- 3.5.2.18 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.
- 3.5.2.19 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

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

Auditor General's Position

- 3.5.2.21 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

Procurement Irregularities

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 observed that the procurement of communications cards totalling US\$15,340.00 was made during the period using Request for Quotations (RFQ) method rather than through a National Competitive Bidding as the RFQ threshold of US\$10,000.00 was exceeded. See table 12 below.

Cause

- 3.5.3.3 The usage of a procurement method non-compliant with the PPC ACT resulted in the situation above.

Risk

- 3.5.3.4 Management may be non-compliant with the required procurement method, National Competitive Bidding (NCB) and the PPC Act of 2005 as amended and restated in 2010.
- 3.5.3.5 In the non-usage of the required procurement method, value for money may not be achieved.

Recommendation

- 3.5.3.6 Going forward, Management should facilitate comprehensive review of the annual procurement plan before subsequent approval to ensure that the procurement methods per transactions catalogued therein are consistent with the PPC Act of 2005 as amended in restated in 2010.
- 3.5.3.7 Management should facilitate full compliance with the PPC Act of 2005 as amended and restated in 2010 and usage of the required procurement method during the execution of all procurement transactions to ensure value for money is achieved. All previous documentation should be adequately approved before the commencement of the next phase of procurement.

Management's Response

- 3.5.3.8 *Management utilized two procurement methods, namely National Competitive Bid (NCB) and Restricted Bid (RB), during the procurement process for the reviewed period. However, the vendors to whom the bids were extended did not respond. Consequently, a*

note was placed on the file indicating the lack of responding process. Please refer to the attached documents for further details and evidence.

Auditor General's Position

- 3.5.3.9 Management's assertion is not backed by the PPC Act of 2005 as amended and restated in 2010. Management should have re-launched the procurement process or alternatively ensured a 'no objection' is obtained from the PPCC before proceeding to use RFQ for amounts exceeding the US\$10,000 RFQ threshold. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

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 Management procured cleaning materials from Tus Business Center for a single amount of US\$9,000.00 on voucher number LCHT-PV-00034-2022 without evidence of a RFQ or contract.

Cause

- 3.5.4.3 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

- 3.5.4.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money
- 3.5.4.5 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.
- 3.5.4.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

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

3.5.4.8 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.

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

Management's Response

3.5.4.10 Management did not respond to this finding.

Auditor General's Position

3.5.4.11 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.

Third Party Payments

Criteria

3.5.4.12 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."

3.5.4.13 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

3.5.4.14 During the audit, we observed that transactions amounting to US\$54,262.50 were paid to various individuals for onward distributions. See table 9 below.

Table 9: Third party payments

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
08/01/2022	Simeon T Dunn	LCHT-PV-00003-2022	1580252	Payment for health facilities service delivery bonus	9,829.81
14/04/2022	Employee Expenses Payable	LCHT-PV-00033-2022	9592337	Payment for health facilities service delivery bonus	9,680.69

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
23/04/2022	Employee Expenses Payable	LCHT-PV-00042-2022	1580268	Payment for program activities	9,327.00
23/04/2022	Employee Expenses Payable	LCHT-PV-00044-2022	1580270	Payment for program activities	9,095.00
23/04/2022	Employee Expenses Payable	LCHT-PV-00043-2022	1580269	Payment for program activities	6,365.00
14/05/2022	Employee Expenses Payable	LCHT-PV-00057-2022	1580283	Payment for program activity	5,395.00
19/03/2022	Employee Expenses Payable	LCHT-PV-00026-2022	1580257	Payment for DSA for LCHT staff the check is in kermoh sheriff name	1,250.00
03/05/2022	Employee Expenses Payable	LCHT-PV-00049-2022	1580275	Payment of DSA for LCHT Staff	1,110.00
06/05/2022	Employee Expenses Payable	LCHT-PV-00052-2022	1580278	Payment for malaria world day celebration	810.00
14/05/2022	Employee Expenses Payable	LCHT-PV-00058-2022	1580284	Payment for program activity HR related issues	510.00
19/01/2022	Employee Expenses Payable	LCHT-PV-00008-2022	1580253	Payment for DSA for DHO attending FARA Meeting	490.00
22/01/2022	Employee Expenses Payable	LCHT-PV-00009-2022	1580254	Payment for DSA for LCHT staff	400.00
Total					54,262.50

Cause

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

Risk

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

Recommendation

- 3.5.4.18 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.
- 3.5.4.19 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

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

Auditor General's Position

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

3.5.5 Grand Cape Mount County Health Team

Purchases made without Contract

Criteria

- 3.5.5.1 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

- 3.5.5.2 During the audit, we observed that Management made several payments amounting to US\$12,465.00 without evidence of a procurement conducted to ensure compliance to the PPCC Law. See table 18 below.

Table 18: Procurement Irregularities

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Debits	Credits
06/12/2022	Bill Payment	Jadik Investment Auto Parts Supply	GCMCHT-PV-00197-2022	563641	Purchase of motorbikes spare parts for County bikes		4,875.00
28/12/2022	Bill Payment	Universal Business	GCMCHT-PV-00231-2022	563675	Purchase of assorted building		3,970.00

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Debits	Credits
		Center Crop. Inc.			materials for health facilities rehabilitation		
09/08/2022	Bill Payment	LR and Sons	GCMCHT-PV-00112-2022	526148	Purchase of communication cards for supervisors		1,620.00
02/09/2022	Bill Payment	LR and Sons	GCMCHT-PV-00156-2022	526191	Purchase of communication cards for supervisors health facilities		2,000.00
Total							12,465.00

Cause

- 3.5.5.3 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

- 3.5.5.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.5.5 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.
- 3.5.5.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.5.7 Management should account for the above transactions by providing all bid documents and approved contracts to justify the legitimacy of the transactions.
- 3.5.5.8 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.
- 3.5.5.9 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.5.10 *We have attached all procurement documentation to justify/prove that procurement processes were followed in accordance with the PPC Law of Liberia.*

Auditor General's Position

- 3.5.5.11 We acknowledge Management subsequent submission of some requested documents, including payment vouchers 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 findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.5.5.12 Regulation B.28 of the PFM Act of 2009 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.5.5.13 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

- 3.5.5.14 During the audit, we observed that transactions amounting to US\$17,435.00 were paid to an individual for onward distribution to various individuals and entities. See table 20 below.

Table 20: Third party payments

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
23/04/2022	Kpadeh Kollie	GCMCHT-PV-00029-2022	451850	Fund for Contraceptive Outreach for January - March 2022	2,280.00
25/04/2022	Kpadeh Kollie	GCMCHT-PV-00036-2022	451857	Fund for netsuite Refresher training	1,330.00
07/12/2022	Kpadeh Kollie	GCMCHT-PV-00217-2022	563661	Fund for County Review meeting for Q4	2,000.00
01/09/2022	Kpadeh Kollie	GCMCHT-PV-00145-2022	526180	Fund to Conduct quarterly Health Fare including Nutrition, Malaria, family Planning, HIV/AIDS Testing and EPI) in the Health District from	450.00

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
				April-Sept. 2022	
01/06/2022	Hawa K Karva	GCMCHT-PV-00065-2022	526119	Fund for reproductive Health Technical working Group	1,095.00
01/09/2022	Kpadeh Kollie	GCMCHT-PV-00141-2022	526176	Fund for District Review Meeting for July-Sept. 2022	2,670.00
27/04/2022	Kpadeh Kollie	GCMCHT-PV-00043-2022	526108	Fund for administrative supervision for January-march 2022	330.00
05/08/2022	Hawa K Karva	GCMCHT-PV-00089-2022	526138		5,000.00
01/09/2022	Kpadeh Kollie	GCMCHT-PV-00128-2022	526163	fund to conduct quarterly Vit-A, Deworming and micronutrient Outreach for July-sept 2022	2,280.00
Total					17,435.00

Cause

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

Risk

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

Recommendation

- 3.5.5.18 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.
- 3.5.5.19 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

- 3.5.5.20 *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 resolve and avoid the issue of third-party payment.*

Auditor General's Position

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

3.5.6 River Gee County Health Team

Purchases made without Contract

Criteria

- 3.5.6.1 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

- 3.5.6.2 During the audit, Management did not provided evidence of procurement processes for the following transactions. See table 21 below.

Table 21: Procurement Irregularities

Procurement Activity	Planned Method	Estimated Amount US\$
Event Catering	Restricted Bidding	47,140.00
Scratch Cards	Restricted Bidding	11,130.00
Repairs & Maintenance – Civil	National Competitive Bidding	37,710.92
Total		96,980.92

Cause

- 3.5.6.3 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

- 3.5.6.4 Management may be non-compliant with the PPC Act of 2005 as amended and restated in 2010.
- 3.5.6.5 Failure to adhere to procurement laws may lead to the non-achievement of value for money.
- 3.5.6.6 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.
- 3.5.6.7 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.6.8 Management should facilitate full compliance with the PPC Act of 2005 as amended and restated in 2010 and usage of the required procurement method during the execution of all procurement transactions to ensure value for money is achieved. All previous documentation should be adequately approved before the commencement of the next phase of procurement.
- 3.5.6.9 Evidence of all procurement records should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.6.10 *We acknowledge the audit findings. The contracts for catering and scratch cards documents are available. Please find attached to payment vouchers, which contain the contracts.*

Auditor General's Position

- 3.5.6.11 Management assertion is not backed by documentary evidence. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.5.6.12 Regulation B.28 of the PFM Act of 2009 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."
- 3.5.6.13 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

- 3.5.6.14 During the audit, we observed that sample transactions amounting to US\$9,784.04 were paid to an individual for onward distribution to various individual and businesses. See table 22 below.

Table 22: Third party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
29/08/2022	Check	Chris G	RGCHT-	1431130	Payment for	7,274.04

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
		Kamata	PV-00105-2022		performance base financing Jan-March 2022 bonus to facilities and staff-FARA Project	
16/08/2022	Check	Chris G Kamata	RGCHT-PV-00103-2022	1431129	payment for lunch during monthly integrated outreach.	2,160.00
16/08/2022	Check	Chris G Kamata	RGCHT-PV-00100-2022	1431126	payment for snack and transportation for RHTC meeting.	350.00
Total						9,784.04

Cause

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

Risk

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

Recommendation

- 3.5.6.18 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.
- 3.5.6.19 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

- 3.5.6.20 *We acknowledge this audit finding for the period under review, but has put in place a direct mobile money payment to all beneficiaries to void or resolve the issue of third-party payment.*

Auditor General's Position

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

3.5.7 Margibi County Health Team (MCHT)

No Evidence of Bidding Process

Criteria

- 3.5.7.1 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

- 3.5.7.2 During the audit, we observed that Management did not submit bid documents for the procurement proceeding of a contract awarded to Bio-medical Link for assorted medical supplies. A total of US\$44,595.00 was purchased from Bio-medical Link for assorted materials during the period. See table 11 below.

Table 11: No Evidence of Bidding Process

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
12/10/2022	Bio-medical Link	MCHT-PV-00160-2022	89	Purchase of Medical and non-medical consumable and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	8,890.00
12/10/2022	Bio-medical Link	MCHT-PV-00161-2022	90	Purchase of Medical and non-medical consumable and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	9,445.00
12/10/2022	Bio-medical Link	MCHT-PV-00158-2022	87	Purchase of Medical and non-medical consumable and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	7,500.00
12/10/2022	Bio-medical	MCHT-PV-00156-2022	85	Purchase of Medical and non-medical consumable	8,400.00

Date	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
	Link			and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	
12/10/2022	Bio-medical Link	MCHT-PV-00159-2022	88	Purchase of Medical and non-medical consumable and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	5,810.00
12/10/2022	Bio-medical Link	MCHT-PV-00157-2022	86	Purchase of Medical and non-medical consumable and equipment for various facilities in margibi, from the FARA G2G Implementation activities in 2022 budget year. (Quarter 3 & 4)	4,550.00
Total					44,595.00

Cause

- 3.5.7.3 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

- 3.5.7.4 Failure to adhere to procurement laws may lead to the non-achievement of value for money
- 3.5.7.5 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.
- 3.5.7.6 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.7.7 Going forward, Management should ensure that all procurement documentation is prepared in the chronology consistent with the purchase cycle, the PPC Act of 2005 as amended and restated in 2010 and the PFM Regulations. All previous documentation should be adequately approved before the commencement of the next phase of procurement.

- 3.5.7.8 Evidence of all procurement records should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.7.9 Management also wishes to notify you that the contract between the Margibi County Health Team and Bio-Medical Link was properly documented and signed by the requisite authorities. Kindly find attached a copy of the contract for your reference.

Auditor General's Position

- 3.5.7.10 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. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.5.7.11 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."
- 3.5.7.12 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

- 3.5.7.13 During the audit, we observed that transactions amounting to US\$7,460.000 were paid to an individual for onward distributions. See table 13 below.

Table 13: Third Party Payments

Date	Payee	Employee	Voucher Number	check/Reference Number	Description	Credit
44855	Employee Expenses Payable	Roland M Reeves	MCHT-PV-00171-2022	100	Support for County Quarterly Performance Review Meeting (July, August	500.00

Date	Payee	Employee	Voucher Number	check/Reference Number	Description	Credit
					and September 2022)	
44837	Employee Expenses Payable	Roland M Reeves	MCHT-PV-00138-2022	67	Participants DSA payment for Environmental Compliance Training in Kakata, Margibi County	1,200.00
44855	Employee Expenses Payable	Roland M Reeves	MCHT-PV-00167-2022	96	Participants' DSA payment for District Quarterly Performance Review Meeting (July, August and September 2022)	1,440.00
44901	Employee Expenses Payable	Roland M Reeves	MCHT-PV-00207-2022	135	Transportation reimbursement for Integrated Outreaches for 24 Health Facilities (October - December 2022)	4,320.00
Total						7,460.00

Cause

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

Risk

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

Recommendation

- 3.5.7.17 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.
- 3.5.7.18 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

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

Auditor General's Position

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

3.5.8 Grand Bassa County Health Team

Procurement Splitting

Criteria

3.5.8.1 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

3.5.8.2 During the audit, we observed that Management split the procurement of catering service that was awarded to Favor Mills Restaurant with Black and White Entertainment Center. See Table 15 below.

Table 15: Procurement Irregularity

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
22/09/2022	Bill Payment	Black and White entertainment center	GBCHT-PV-00233-2022	24176	Catering to conduct contraceptive day	1,500.00
22/09/2022	Bill Payment	Favor Mills Bar and Restaurant	GBCHT-PV-00227-2022	24170	Catering to conduct quarterly RHTC Meeting	480.00
22/09/2022	Bill Payment	Favor Mills Bar and Restaurant	GBCHT-PV-00229-2022	24172	Catering to conduct quarterly county and district health board meeting	2,016.00
22/09/2022	Bill Payment	Favor Mills Bar and Restaurant	GBCHT-PV-00228-2022	24171	Catering to conduct monthly RHTC Meeting DHT	1,080.00
22/09/2022	Bill Payment	Favor Mills Bar and Restaurant	GBCHT-PV-00230-2022	24173	Catering to conduct M& E Technical meeting	1,800.00

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
Total						6,876.00

Cause

- 3.5.8.3 Failure to ensure adherence to the procurement laws resulted in the condition observed above.

Risk

- 3.5.8.4 Failure to ensure that contract management is adhere to in line with the procurement law may impair value for money.
- 3.5.8.5 Management may be non-compliant with the PPC Act of 2005 as amended and restated in 2010.

Recommendation

- 3.5.8.6 Management should facilitate full compliance with the PPC Act of 2005 as amended and restated in 2010 and utilize the required procurement method during the execution of all procurement transactions to ensure value for money is achieved.

Management's Response

- 3.5.8.7 *The contract for catering service under the FARA 2022 Agreement was divided into lots (Lots 1, 2, & 3). Lot 1& 2 was awarded to Favor Mills Restaurant while Lot 3 was awarded to Black and white Entertainment Center. Regarding the vouchers listed in the management Letter amounting to 6,876 USD, payment was made based on the two lots as per the contracts Signed.*

Auditor General's position

- 3.5.8.8 Management assertion is not backed by public procurement laws. Management should not have split the bidding of catering services into lots as asserted. All procurement of goods and services should follow the required invitation to bid or provide quotations and each bid/quotation is reviewed by a bid review team and contract awarded to the most responsive bidders as recommended by the bid review team in line with the procurement laws. Bidders winning a contract can or may decide to sub-contract another entity at their discretion, to fulfil their contract terms. Management is in violation of the PPC Act of 2005 as amended and restated in 2010. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Third Party Payments

Criteria

- 3.5.8.9 Regulation B.28 of the PFM Act of 2009 states that, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."

3.5.8.10 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

3.5.8.11 During the audit, we observed that transactions amounting to US\$2,460.00 were paid to various individuals for onward distributions. See table 16 below.

Table 16: Third party payments

Date	Type	Payee	Voucher Number	check/Reference Number	Description	Amount US\$
06/10/2022	Check	Jimmy T Yeamie	GBCHT-PV-00257-2022	24200	Payment of DSA to conduct quarterly and timely reporting in 25 public facilities	840.00
21/09/2022	Check	Comfort S. B Wiles	GBCHT-PV-00218-2022	24161	Payment of Transportation reimbursement to conduct monthly Reproductive Health Technical Meeting (RHTC) meeting for District Health Teams in Grand Bassa County	900.00
20/12/2022	Check	GABRIEL SESAY	GBCHT-PV-00338-2022	37167	Payment of DSA FOR data verification for district level data	720.00
Total						2,460.00

Cause

3.5.8.12 Failure to comply with the Public Financial Management Regulations created the condition above.

Risk

3.5.8.13 Paying cash to employees for subsequent disbursement or to individuals may facilitate misappropriation of funds.

3.5.8.14 Third party payment may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 3.5.8.15 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.
- 3.5.8.16 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

- 3.5.8.17 *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

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

3.5.9 FARA Central Office

Retroactive Procurement Contracting

Criteria

- 3.5.9.1 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

- 3.5.9.2 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

- 3.5.9.3 Failure to submit these contracts to the PPC for review may have led to these errors not been timely detected and corrected.
- 3.5.9.4 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

- 3.5.9.5 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.

- 3.5.9.6 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.
- 3.5.9.7 In the instance of litigation there may be no legal reliance for enforcement of terms and conditions of transactions.

Recommendation

- 3.5.9.8 Management should provide substantive justification for late preparation of contracts and their retroactive terms and conditions.
- 3.5.9.9 Management should facilitate timely commencement of procurement processes and ensure that all contracts are approved and awarded in a timely manner before transactions with vendors and disbursement of funds.
- 3.5.9.10 Alternatively, Management should obtain a "No Objection" from PPCC to operationalize the framework contracting.
- 3.5.9.11 Evidence of approved contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.9.12 *We take notes of the audit findings and recommendations. Going forward, the start date of all contracts will be the same as the end date of the procurement process. 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

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

Incomplete Information on Procurement Documentation

Criteria

- 3.5.9.14 Section 37 'Public Notice of Contract Award' of the Public Procurement Concession Act of 2005 as amended and restated in 2010 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

- 3.5.9.15 During the audit, we observed from a market price survey, for various commodities,

conducted in three counties (Bassa, Margibi, and Nimba) that the specification of items listed on purchase orders and in bid documents were not explicit: the brands, sizes, grades, models etc for most commodities were not specified. As a result, performing a reconciliation between the prices of commodities of items purchased to the current market value was not feasible.

Cause

- 3.5.9.16 The incomprehensive cataloguing of details of commodities purchased resulted in to the condition observed above.

Risk

- 3.5.9.17 Management may purchase items above current market prices.
- 3.5.9.18 Commodities or services budgeted and paid for may not have been received. This may lead to misappropriation of the project funds.

Recommendation

- 3.5.9.19 Management should comprehensively catalogue the specifications of commodities or services procured on the bid documents, purchase orders, payment vouchers, goods received notes and other relevant supporting documents. The County Health Services Administrator and the Compliance Officer should review the documentation and specifications of goods and services catalogued on the documents mentioned above and validate for completeness and accuracy before approval.
- 3.5.9.20 Management should facilitate the conduct of market price survey before commencement of procurement activities.
- 3.5.9.21 Subsequently, the Compliance Officer should conduct periodic market survey of goods and services procured to current market value. Variances identified should be investigated and adjusted for future transactions.
- 3.5.9.22 Evidence of market price surveys conducted should be adequately documented and filed to facilitate future review.

Management's Response

- 3.5.9.23 *We acknowledge this audit finding and hope to implement the recommendations for system improvement.*

Auditor General's Position

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