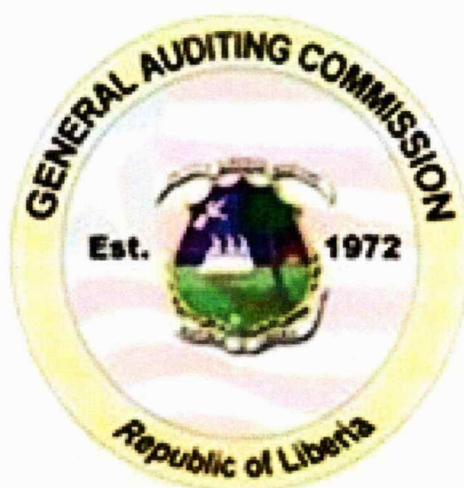


Management Letter

On the Financial Statements Audit of the Institutional Foundations to Improve Services for Health Project (IFISHP), Ministry of Health, Republic of Liberia

For the Fiscal Year Ended December 31, 2025



Promoting Accountability of Public Resources

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

Monrovia, Liberia
June 2026

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Acronyms

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
CFC	Chartered Financial Controller
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigation Professional
CHO	County Health Officer
CHT	County Health Team
CPA	Certified Public Accountant
Dr.	Doctor
DSA	Daily Sustenance Allowance
FCCA	Fellow Member of the Association of Chartered Certified Accountants
F/S	Financial Statements
GoL	Government of Liberia
ICCO	International Consolidated Contractors Offshore
IDA	International Development Association
IFISH	Institutional Foundations to Improve Services for Health
IFR	Interim Financial Reports
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LRD/L\$	Liberian Dollars
MD	Medical Director
MOH	Ministry of Health
No.	Number
NRH	New Redemption Hospital
PBF	Performance Based Financing
PDO	Project Development Objectives
PTC	Project Technical Committee
PFM	Public Financial Management
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PPC	Public Procurement & Concessions
RL	Republic of Liberia
RMNCAH	Reproductive Maternal, Child and Adolescent Health
SOE	Statement of Expenditures
USD/US\$	United States Dollars

June 26, 2026

Hon. Louise M. Kpoto, M.D.

Minister

Ministry of Health (MoH)

J.N. Togba Sr. Building

P.O. Box 10-0-9009, Congo Town

Monrovia, Liberia

Dear Dr. Kpoto:

Re: Management Letter on the Financial Statement Audit of the Institutional Foundations to Improve Services for Health Project (IFISHP) for the Fiscal Year Ended December 31, 2025.

The Financial Statements of the Institutional Foundations to Improve Services for Health Project (IFISHP) for the Fiscal Year Ended December 31, 2025 are subject to audit by the Auditor General (AG) consistent with the Auditor General's Mandate as Provided for Under Section 2.1.3 of the GAC Act of 2014 and the Audit Engagement Term of Reference.

INTRODUCTION

The audit of the Institutional Foundations to Improve Services for Health Project (IFISHP) financial statements for the fiscal year ended December 31, 2025 has been completed; the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY

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

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

An audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Project Management. Our responsibility is to express our opinion on these financial statements for the fiscal year ended December 31, 2025.

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

Key Management Personnel

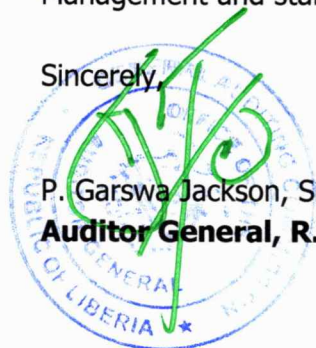
No	Name	Position	Tenure
1.	Hon. Louise M. Kpoto, M.D.	Minister, Ministry of Health	FY 2025 to Present
2.	Papin Daniel, Jr.	Director, Donor Funded Projects, PFMU, MFDP	FY 2025 to Present
3.	Harry F. Neufville	IFISH Project Manager	FY 2025 to Present

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

Appreciation

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

Sincerely,



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

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance

1.1.1 Delay in the Implementation of some Activities under Component One and Two of the IFISHP

Criteria

1.1.1.1 According to the IFISH Project Implementation Manual, the project was approved by the World Bank's Board of Executive Directors on May 21, 2020, became effective on February 2, 2021, and is scheduled to close on August 31, 2026. The total project cost is US\$85 million, with the development objective of improving health service delivery for women, children, and adolescents in Liberia.

1.1.1.2 After December 31, 2025, the Ministry of Health (MoH) has limited time remaining to complete implementation and achieve the project development objectives. The project annual workplan requires the following activities to be completed during the budget year 2025:

- Completion of remaining construction works at the New Redemption Hospital.
- Construction of housing and educational facilities for the New Redemption Hospital.
- Procurement of medical equipment, furniture, and related items.
- Rehabilitation and equipping of 12 selected primary healthcare facilities in six counties etc.
- Finalization of rehabilitation of nursing and midwifery skills laboratories in Grand Gedeh, Lofa, and Bomi Counties

Observation

1.1.1.3 During the audit, we observed that the implementation of project activities under the components, (i) Improve Health Infrastructure and (ii) Improve Health Service Delivery experienced slow progress. These components were not fully implemented in accordance with the approved work plan and budget for the period under review.

1.1.1.4 The following activities were not completed within the approved timelines:

1. Finalization of remaining construction works at the New Redemption Hospital (NRH).
2. Finalization of MRI and CT Scan building, housing and educational facilities for the NRH.
3. Finalization of rehabilitation of nursing and midwifery skills laboratories in Grand Gedeh, Lofa, and Bomi Counties
4. Finalization of the rehabilitation of twelve (12) primary healthcare facilities in six (6) counties

- 1.1.1.5 Consequently, our review of the project's annual approved work plan and budget revealed a significant variance, as actual expenditures were lower than the amounts budgeted for the implementation of the activities noted above. **See Table 1 below for details:**

Table 1: Delay in the Implementation of some Activities under Component One and Two of the IFISHP

Activities In Components	Annual Budget US\$ (A)	Actual Expenditures US\$ (B)	Variance US\$	Percentage (%) of Activities Implemented	Percentage (%) of Activities Not Implemented
1: Improve Health Infrastructure					
1.1: Construction and equipping of the NRH	21,474,560.32	873,737.00	20,600,823.32	4	96
1.2: Rehabilitation and extension of infrastructure at primary health facilities	1,930,059.50	788,956.00	1,141,103.50	41	59
Total	23,404,619.82	1,662,693.00	21,741,926.82	7	93
2: Improve Health Service Delivery					
2.2: Improve availability of essential medicines and RMNCAH-N products, routine vaccines, equipment, and logistics	1,887,448.50	789,941.00	1,097,507.50	42	58
Total	1,887,448.50	789,941.00	1,097,507.50	42	58

Risk

- 1.1.1.6 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.1.1.7 Payments may be made for service not performed and value for money may be impaired.
- 1.1.1.8 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.1.1.9 Management should provide substantive justification why project deliverables cataloged in

our findings above have not been implemented according to the agreed timeline in the approved annual workplan and budget, as part of Management's response to this Management Letter.

- 1.1.1.10 Going forward, Management should develop, approve and operationalize work plan to facilitate the smooth implementation of deliverables for all components. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with all parties and included as supplementary documentation to the approved contracts.
- 1.1.1.11 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.1.1.12 Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.13 *MOH management acknowledges the audit findings and recommendations. Some of the delays are associated with procurement of materials out of the country which was affected by the war in the middle east, change in the medical gas systems and other relevant changes associated with value engineering. However, management has taken the necessary steps to accelerate work on activities listed above to meet up with the revised completion date, August 31, 2026.*

Auditor General's Position

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

1.2 Expenditure Management

1.2.1 Delay in Disbursement of PBF Incentives to County Healthcare Facilities

Criteria

- 1.2.1.1 Article five (5) of the PBF Contract Agreement requires that earned incentives should be paid to the CHT and Health Facilities not later than thirty (30) days after the end of each quarter. Performance payment will be deposited (remitted) directly to the CHT or Health Facilities PBF designated bank account.
- 1.2.1.2 Section 1.1 (4) of the IFISH Project Implementation Manual indicates that, through formal requests to the World Bank dated July 8, 2021, and June 1, 2022. The Government of Liberia requested Additional Financing to fill the existing financing gap, cover costs associated with expanding coverage of existing activities under the parent Project and

introduction of new activities and restructuring of the parent Project to increase effective coverage and quality of care through demand creation, citizen engagement, and by linking performance to financing through PBF.

Observation

- 1.2.1.3 During the audit, we observed that Management did not facilitate timely disbursement of the Performance Based Financing Incentives to Counties Health Teams and Health Facilities on a quarterly basis as required. **See Table 2 below for details:**

Table 2: Delayed in Disbursement of PBF Incentives to County Healthcare Facilities

No.	Beneficiaries Health Facilities of PBF Incentives	Amount of PBF Incentives Earned Per Quarter US\$	Quarter For Which PBF Incentives Was Due	Date on Which PBF Incentives Should Have Been Remitted	Actual Date PBF Incentives Was Remitted	Number of Days for which PBF Incentives Delayed
1	Rivercess CHT	15,313.6	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
2	St. Francis Gov. Hospital	13,616.6	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
3	St. Francis Gov. Hospital	21,540.9	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
4	Grand Kru CHT	17,836.9	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
5	Rally Time Hospital	13,686.1	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
6	Sasstown Maternity Hospital	9,764.5	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
7	Sasstown Maternity Hospital	9,954.5	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
8	Sinoe CHT	34,703.7	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days
9	F. J. Grante Hospital	45,453.9	Quarter Two	Aug. 1, 2025	Nov. 12, 2025	103 Days

Risk

- 1.2.1.4 Disbursements may not be made to approved beneficiaries in a timely manner. This may impair productivity and the unwillingness of health workers to retain assignments in designated counties.
- 1.2.1.5 Delay in the disbursement of the PBF Incentives to health facilities may lead to reputational damage, disruption in planned project activities and the non-achievement of the project's objectives.

Recommendation

- 1.2.1.6 Management should provide substantive justification why the payments of the PBF Incentives to health facilities were not facilitated in a timely manner as required.

- 1.2.1.7 Management should facilitate timely disbursement of PBF Incentives consistent with approved work plan and budget. Evidence of periodic disbursements of PBF incentives should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.1.8 *The MOH management acknowledges the audit findings and recommendation therein. Management wants to register here that there are several contributing factors, including provisions in the revised PBF manual, that caused the delay of the incentive payment. According to the processes that lead to payment, the verification agency will start the verification process on the 18th of the month following the end of the quarter for approximately three weeks/21 days to verify results and submit reports and invoices for incentive payment which goes beyond the August 1, 2025, remittance date mentioned in the above table. Additionally, the PBF Unit takes about a week or three to five working days to review, approve and submit the invoice to the PIU for payment authorization. The PIU will take about two to three working days to complete the internal processing and submit the invoice to PFMU for payment through payment authorization. Once the invoice is submitted to PFMU, it is expected to take five working days to complete the transaction, and the payment instruction is sent to the bank.*
- 1.2.1.9 *However, there were also some internal delays that resulted in incentives being remitted in November 2025 instead of early September 2025. The PBF portal used to calculate incentive after verification was down for almost two months. There were also internal delays at our bank in transferring funds to the respective counties and hospitals' accounts given that they have their respective accounts at different banks.*
- 1.2.1.10 *With the summary processes and timeline listed above, the difficulties faced in transferring funds as well as the technical issues faced with the portal, it was almost impossible to make payments to hospitals and counties within six weeks. However, management will ensure that PBF contract agreements capture reasonable dates in line with the PBF manual and try to make timely payments going forward. The reasonable time frame for remitting PBF incentives is approximately two months after the end of the quarter.*

Auditor General's Position

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

1.2.2 Delay Incentive Payments to Community Health Service Division

Criteria

- 1.2.2.1 Section 3 of the IFISH Implementation Manual provides that once overall AWPBs has been approved and received no-objection from the WB. The PIU should notify the CHSD for commencement of activities. The CHSD should proceed to further notify the implementing County Health Teams. All request regarding the CHA program should be made by the CHSD to the PIU and approved by the immediate supervisory authority or designee. All

request must have attached all supporting documentation including the approved work plan attached. Request submitted to PIU for authorization of disbursement should be reviewed in compliance to agreed work plan and supporting documentation. Authorization of payment shall be done by the PIU to the PFMU within maximum of three working days PFMU shall process activity payment and make disbursement within a duration of maximum five (5) working days consistent with the Financial Management Manual.

Observation

- 1.2.2.2 During the audit, we observed that Management delayed the payments of Community Health Services Incentives to Health facilities in the Counties beyond the approved quarterly disbursement timelines. **See Table 3 below for details:**

Table 3: Delay Incentive Payments to Community Health Service Division

No.	Beneficiaries Health Facilities	Amount of Incentives Remitted US\$	Period for Which Incentives Were Due	Actual Date Incentives Was Remitted
1	Grand Cape Mount	8,715.60	Dec. and Nov. 2024	Jan. 8, 2025
2	Grand Cape Mount	4,357.80	March, 2025	May. 7, 2025
3	Gbarpolu	5,810.40	June, 2025	Sept. 10, 2025
4	Grand Gedeh	13,521.60	Oct. and Nov. 2024	Jan. 8, 2025
5	Grand Gedeh	4,225.50	March, 2025	May. 7, 2025
6	Grand Bassa	14,041.80	July, 2025	Sept. 10, 2025
	Total	50,672.70		

Risk

- 1.2.2.3 Payments may not be made to approved beneficiaries in a timely manner. This may impair productivity and the willingness of health workers to retain assignments in designated counties.
- 1.2.2.4 Delay in the payment of the Community Health Services Incentives to health facilities may lead to the non-achievement of the project's objectives.

Recommendation

- 1.2.2.5 Management should provide substantive justification why the payments of the Community Health Services Incentives to health facilities were delayed for the period under audit, as part of Management's response to this Management Letter.
- 1.2.2.6 Management should facilitate timely disbursement of Community Health Services Incentives consistent with approved work plan and budget. Evidence of periodic disbursements of Community Health Services Incentives should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.7 *Management notes the audit findings. The delays for the various counties are attributable to the verification process and submitting the payroll from various counties to the*

Community Health Division to submit to the PIU for processing. The delays are also associated with internal approval processes. However, management has taken some steps to avoid payment delays. Please note that all CHSSs were paid before the end of December 2025.

Auditor General's Position

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

1.3 Procurement Management

1.3.1 Non-Solicitation of Three Quotations at County Level

Criteria

- 1.3.1.1 Section 54(1) of the PPC Act of 2005 as amended and restated 2010 states, "quotations shall be requested in writing from many bidders as practicable, but from at least three (3) bidders."

Observation

- 1.3.1.2 During the audit, we observed that the Management of the below Counties Health Facilities did not obtain three quotations, as required by Section 54(1) of the PPC Act of 2005 as amended and restated 2010 (Request for Quotations), in procuring goods and services totaling US\$7,085.00. **See Table 4 below for details:**

Table 4: Non-Solicitation of Three Quotations at County Level

Date	Payee	Description	PV #	CK #	Health Facilities	Amount US\$
2-Sep-25	Oscentino LinkVenture Inc.	Procurement of Vehicle parts	00054-2025	128195	Maryland CHT	2,870.00
26-Sep-25	M.A.O. Brothers Group Limited	Procurement of goods and services	00067-2025	469954	Maryland CHT	1,000.00
26-Sep-25	Front Porch Bar	Catering service	00066-2025	469953	Maryland CHT	600.00
15-Jan-25	Lucky Dev. Corp (Phap)	Payment for lab materials	51531	444	ST. Francis Gov. Hospital	1,230.00
27-Jan-25	Express Filling Station	Payment for 297 gals of fuel oil	51533	447	ST. Francis Gov. Hospital	1,385.00
	Total					7,085.00

Risk

- 1.3.1.3 Management may be noncompliant with Section 54(1) of the PPC Act of 2005 as amended and restated 2010.
- 1.3.1.4 Failure to solicit the required number of quotations may impair the achievement of value for money, project deliverables and objectives.

- 1.3.1.5 The non-application of the requisite procurement method may impair the achievement of value for money and facilitate fraudulent procurement activities.

Recommendation

- 1.3.1.6 Going forward, Management should facilitate full compliance with the PPC Act of 2005 as amended and restated 2010 to ensure value for money is achieved during the execution of all procurement activities. The required three (3) quotations should be solicited and obtained for all transactions within the threshold of US\$10,000 and below as required.
- 1.3.1.7 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.
- 1.3.1.8 Evidence of approved annual procurement plan, quarterly and annual procurement activities reports, and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.
- 1.3.1.9 Management should facilitate adequate planning of procurement activities to ensure that competitive procurement processes are utilized to optimize value for money and the achievement of project's deliverables. The procurement plan should be prepared and approved before the commencement of the fiscal year to provide adequate timing for the conduct of more competitive procurement processes.

Management's Response

- 1.3.1.10 *We are herewith submitting the payment vouchers with all the requisite supporting documents (including three quotations) for the auditor's review. See attached Exhibit III: Copies of Quotations*

Auditor General's Position

- 1.3.1.11 We acknowledge Management subsequent submission of payment vouchers and quotations after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.3.1.12 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that payment vouchers and all relevant supporting records are adequately documented and filed to facilitate future review.

1.3.2 Lack of Fuel Distribution Logs and Utilization Reports

Criteria

- 1.3.2.1 Section 2.14 of the MoH Financial Policies and Procedures Manual required that Donor funds transferred to programs, CHTs, hospitals, or any other MoH-sponsored institutions, shall be accounted for as an advance disbursed. On consolidation of financial reports from

programs, CHTs, hospitals, or any other MoH-sponsored institutions, expenditures incurred by the programs, shall be offset against the advances received by these programs/institutions. MoH's "advances disbursed" accounts shall be cleared as institutions report their expenditures against the advances they received.

- 1.3.2.2 Additionally, MoH Financial Policies and Procedures Manual required that Management should establish procedures to ensure maintenance of complete and adequate records of transactions, senior management decisions, and other key events, including accounting source documents (journal/day book, ledgers, reconciliation and related management records (memos, minutes).

Observation

- 1.3.2.3 During the audit, we observed that Management disbursed a total of US\$45,914.60 to staff for the purchase of fuel to support project implementation activities in the counties. However, we observed no evidence of fuel distribution logs or utilization reports, as required. **See Table 5 below for details:**

Table 5: Lack of Fuel Distribution Logs and Utilization Reports

Date	PV #	Payee	Narrative	Amount US\$
12/3/2025	2025/767	Petro Trade	Pmt. for 848 gallons of diesel fuel for supervision	3,576.36
10/13/2025	2025/631	Petro Trade	Pmt. for 866.98 gallons of fuel to facilitate the movement of central level family health Division	3,716.47
3/25/2025	2025/126	Petro Trade	Pmt. for 848 gallons of diesel fuel for supervision and mentorship in six counties (only central office give distribution log)	3,576.36
10/9/2025	2025/617	Petro Trade	Pmt. for 621 gallons of diesel fuel to facilitate the movement of the central levels supply chain management	6,080.33
4/10/2025	2025/163	Petro Trade	Pmt. for 1,001 gallons of diesel fuel to facilitate the movement of participants on the health financing policy dialogue.	4,221.62
2/28/2025	2025/084	Petro Trade	Pmt. for 950 gallons of diesel fuel to support the movement of the central and county level health information system teams only central office give distribution log)	4,053.56
5/22/2025	2025/237	Petro Trade	Pmt. for 950 gallons of diesel fuel as operational fuel to support the movement of the central and county level health information system teams	4,006.53
5/16/2025	2025/222	Petro Trade	Pmt. for 1,190 gallons of diesel fuel to support the infrastructure and environment teams.	5,018.31
7/18/2025	2025/423	Petro Trade	Pmt. for 819.45 gallons of fuel to facilitate the movement of the central and county level team	3,610.33
2/20/2025	2025/057	Petro Trade	Pmt. for ,203 gallons of fuel to facilitate family Health unit Quarter IV Monitoring and Supervision on Maternal and supportive Surveillance.	5,013.98
5/19/2025	2025/277	Petro Trade	Pmt. for 100 gallons of diesel fuel to be use by the	421.74

Date	PV #	Payee	Narrative	Amount US\$
			supply chain Management Unit at the MoH	
5/16/2025	2025/223	Petro Trade	Pmt. for 100 gallons of diesel fuel to facilitate the movement of the central and county level supply chain Management.	2,619.01
Total				45,914.60

Risk

- 1.3.2.4 Fuel procured may not be based on actual consumption.
- 1.3.2.5 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.

Recommendation

- 1.3.2.6 Management should submit the fuel distribution and consumption logs not made available for audit purposes to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.3.2.7 Management should develop and maintain fuel consumption and distribution logs and periodic utilization reports to aid the project manage cost and inform future purchase.
- 1.3.2.8 Evidence of fuel distribution logs, and periodic consumption/ utilization reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.3.2.9 *Management notes the audit findings. Given the minimum time frame given to respond, management is unable to gather all the supporting documents. However, management will follow up with the various implementation units and file the documents to facilitate the auditor's future review as recommended. Please see attached copies of the fuel logs.*

Auditor General's Position

- 1.3.2.10 We acknowledge Management subsequent submission of some fuel consumption logs after our audit execution. The complete set of consumption logs requested for audit purposes were not provided.
- 1.3.2.11 Further, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management. Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.
- 1.3.2.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.3 Payments without Evidence of Adequate Supporting Documents at County Level

Criteria

- 1.3.3.1 Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states that "Payments except for statutory transfers and debt services shall be supported by invoices, bills and other documents in addition to the payment vouchers."

Observation

- 1.3.3.2 During the audit, we observed no evidence of adequate supporting documents such as; letter of request, payment vouchers, contract agreement, delivery notes, business registration, tax clearance, receipts, etc. where applicable for expenditures amounting to US\$41,039.00 from several county health facilities. **See Table 6 below for Summary and Annexure 1 and 2 for details.**

Table 6: Payments without Evidence of Adequate Supporting Documents at County Level

No.	Annexure Number	Health Facilities	Location of Offices	Amount US\$
1.	Annexure-1	Maryland CHT	Harper City	31,525.00
2.	Annexure-2	Maryland CHT	Harper City	9,514.00
Total				41,039.00

Risk

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

Recommendation

- 1.3.3.7 Management should fully account for expenditures made without adequate supporting documents comprehensively catalogued in table-6 above, as part of Management's response to this Management Letter.
- 1.3.3.8 Management should ensure that all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods

and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

- 1.3.3.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response

- 1.3.3.10 *We are herewith submitting the payment vouchers with all the requisite supporting documents for the auditor's review.*

Auditor General's Position

- 1.3.3.11 Management's assertions were not supported by adequate documentation. The specific documents requested comprehensively cataloged in Annexures 1 and 2 were not made available for audit purposes as requested. **See Annexure 1A and 2A for details.**
- 1.3.3.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4 Cash Management

1.4.1 Irregularities Associated with Bank Reconciliations at County Level

Criteria

- 1.4.1.1 Regulation R. 3 (6) of the Amendment and Restated Public Financial Management (PFM) Act of 2009 as amended and restated in 2019, requires that the balance of every bank account as shown in a bank statement be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.
- 1.4.1.2 Additionally, sub-section 6.5.3 of the PFMU Financial Procedures Manual indicate that, the PFMU Manager shall ensure that all reconciliation differences are properly and promptly investigated with a view to regularize them. To this end, all bank reconciliation statement prepared by the Assistant Project Accountant (APA) shall be reviewed by the Internal Auditor and approved by the Unit Head or Senior Accountant".

Observation

- 1.4.1.3 During the audit, we observed the following irregularities associated with the preparation of monthly bank reconciliation statements at several Performance Based Financing (PBF) beneficiaries' Hospitals and County Health Facilities. **See Table 8 below for details:**

Table 8: Irregularities Associated with Bank Reconciliations at County Level

No.	Health Facilities	Location of Offices	Discrepancies
1.	Gbarpolu County CHT	Bopolu City, Gbarpolu County	There was no evidence of monthly bank reconciliation statements prepared by the Management of the Gbarpolu CHT for the PBF incentives received covering the months of October, November and December 2025.
2.	Old Sodoken Clinic	Maryland County	There was no evidence of monthly bank reconciliation statements prepared by the Management of the Old Sodoken Clinic for the PBF incentives received covering the entire twelve (12) months (January 2025 to December 2025) under audit.

Risk

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

Recommendation

- 1.4.1.5 Management should ensure that monthly bank reconciliation statements are prepared for each account established by the project.
- 1.4.1.6 Monthly bank reconciliation statements should be prepared and approved by staff with the relevant qualification, experience, and seniority in a timely manner.
- 1.4.1.7 Management should facilitate comprehensive review of the bank statements and the cashbook. Errors identified should be investigated and adjusted where applicable in a timely manner.
- 1.4.1.8 Monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.

Management's Response

- 1.4.1.9 *We are attaching evidence of the corrections made on the bank reconciliations for the auditor's review. See attached Exhibit VI: Corrected BRS*

Auditor General's Position

- 1.4.1.10 Management's assertions were not supported by documentary evidence. Management did not submit bank reconciliation statements comprehensively cataloged in table 8 above for audit purposes as requested.
- 1.4.1.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4.2 Variance between PBF Bank Statements and Cash Book at County Level

Criteria

- 1.4.2.1 Article 6 of the PBF Agreement required that County Health Team should administer financial management system, including budgeting, financial accounting and reporting, internal and external audits, and disbursement of PBF Subsidies in accordance with the PFM Law and Regulations.
- 1.4.2.2 Section 6.5.1 of the PFMU Financial Procedures Manual required that all cashbook shall be reconciled monthly to the bank statements within ten working days of the month ends. Differences arising there from shall be investigated and resolve promptly.

Observation

- 1.4.2.3 During the audit, we observed unexplained variances amounting to US\$9,514.00 between the expenditures recorded in the PBF cashbook and the expenditures reported in the PBF bank statements for the Maryland CHT. **See Table 9 below for summary and Annexure 6 for details.**

Table 9: Variances between PBF Bank Statements and Cash Book at the County Level

		Expenditure Per PBF Bank statements	Expenditure Per PBF Cashbook (B)	Variance
		(A)	(B)	C=(A-B)
#	Health Facilities	US\$	US\$	US\$
	Maryland County Health Team	142,080.79	151,594.79	(9,514.00)
Total				(9,514.00)

Risk

- 1.4.2.4 The completeness, existence and accuracy of expenditures may not be assured; therefore, the financial statement may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statement.
- 1.4.2.5 Management may not account for all its transactions.
- 1.4.2.6 Fair presentation and full disclosure of the financial statements may be impaired.

Recommendation

- 1.4.2.7 Management should fully account for the variances observed between the cashbook and bank statements cataloged in table 9 above, as part of Management's response to this Management Letter. Subsequently, Management should adjust the financial statements accordingly. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.4.2.8 Going forward, Management should liaise with the relevant authorities of the PBF to facilitate the conduct of periodic reconciliation among the bank statements, cashbook/

general ledger, trial balance and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

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

Management's Response

- 1.4.2.10 *Please find attached evidence of the variance explanations for the auditor's review. See attached Exhibit VII: Variance Explanation.*

Auditor General's Position

- 1.4.2.11 Management assertions were not supported by documentary evidence. Explanations for variance attached in Exhibit VII as asserted in Management's response were not made available for audit purposes. Accordingly, Management did not account for the variances observed between the cashbook and bank statements cataloged in table 9 above as requested.
- 1.4.2.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4.3 PBF Payments Recorded in Bank statement not Reconciled in Cashbook at the County Level (Maryland CHT)

Criteria

- 1.4.3.1 Regulation R. 3 (6) of the Amendment and Restated Public Financial Management (PFM) Act of 2009 as amended and restated in 2019, requires that the balance of every bank account as shown in a bank statement be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.

Observation

- 1.4.3.2 During the audit, we observed that several Performance-Based Financing (PBF) transactions amounting to US\$9,514.00 were recorded in the bank statement but not subsequently reconciled in the corresponding cash book of Maryland CHT. **See Table 10 below for details:**

Table 10: PBF Payments Recorded on Bank Statement not Reconciled in Cashbook at County Level (Maryland CHT)

Bank Date	Payee name	Check #	Amount	Issues Observed
1/2/2025	Mount Scott United Methodist Church	195	750.00	Amount recorded in the bank statement but not in the cashbook
1/10/2025	Samuel Dugbe	196	484.00	Amount recorded in the bank statement but not in the cashbook
4/7/2025	Samuel Dugbe	128171	2,880.00	Amount recorded in the bank statement but not in the cashbook
4/8/2025	Blessed sunshine Business	115	5,400.00	Amount recorded in the bank statement but not in the cashbook
Total			9,514.00	

Risk

- 1.4.3.3 The completeness, existence and accuracy of expenditures may not be assured; therefore, the financial statements may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial reports.
- 1.4.3.4 Management may not account for all its transactions.
- 1.4.3.5 Fair presentation and full disclosure of the financial reports may be impaired.

Recommendation

- 1.4.3.6 Management should fully account for the variances observed between the cashbook and bank statements catalogued in table 10 above, as part of Management's response to this Management Letter. Subsequently, Management should adjust the financial statements accordingly. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.4.3.7 Going forward, Management should liaise with the relevant authorities of the PBF to facilitate the conduct of periodic reconciliation among the bank statements, cashbook/general ledger, trial balance and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.
- 1.4.3.8 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. An automated linkage should be created among the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.4.3.9 *We are attaching evidence of the corrections made on the PBF payments and the cashbook for the auditor's review. See attached Exhibit VIII: Corrected Cashbook Transactions.*

Auditor General's Position

- 1.4.3.10 Management assertions were not supported by documentary evidence. Evidence for variance attached in Exhibit VIII as asserted in Management's response was not made available for audit purposes. Accordingly, Management did not account for the variances observed between the cashbook and bank statements cataloged in table 10 above as requested.
- 1.4.3.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.5 Project Implementation Field Verification

1.5.1 Delay in the Construction of the New Redemption Hospital

Criteria

- 1.5.1.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 required that, the Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:
- a) Ensuring that the contractor complies with the specifications and terms of the contract;
 - b) Ensuring that the contract is being performed on schedule;
 - c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract.
- 1.5.1.2 Additionally, Sub-section 2.3 of the World Bank Procurement Regulations of September 2023 required that value for money is achieved through the application of the following:
- a. Selection of appropriate contractual arrangements;
 - b. Selection of the firm that best meets the needs and objectives of the procurement; and C. Effective contract management to ensure successful execution of the contract and
 - b) ensure that the deliverables are met as agreed in the contract.
- 1.5.1.3 On May 5, 2023, a construction contract was awarded to International Consolidated Contractors Offshore represented by its Country Manager, Mr. Daniel Mhanna, for the completion of the remaining construction works of the New Redemption Hospital and adjunct facilities located in Caldwell, Montserrat County. The contract was awarded by the Ministry of Health for the total contract price of US\$5,771,411.61 (Five Million Seven

Hundred Seventy-One Thousand Four Hundred Eleven United States Dollars and Sixty-One Cents), financed under the EERP. The duration and completion of the contract works was slated for seven (7) months, beginning May 2023 for which ICCO was paid a total of US\$2,934,855.91.

- 1.5.1.4 After closure of the EERP project, a new construction contract was awarded to ICCO on January 1, 2024 with a new contract price of US\$9,433,330.16 (Nine million, four hundred thirty-three thousand, three hundred and thirty dollars and sixteen Cents) under the IFISH Project. The duration and completion of the new contract works was slated for fifteen (15) months, beginning January 1, 2024 to March 31, 2025 for phase 1.2 under a new funding source from the IFISH Project.
- 1.5.1.5 On November 13, 2024, the MoH approved a variations order from WAPCOS (supervising engineer) of the NRH Construction Project, with an additional cost of US\$2,797,702.26 and an extension of the contract works from March 31, 2025 to July 31, 2025 which derived the total contract price of US\$ 12,231,032.42 as a result of additional delay in the construction work.
- 1.5.1.6 Furthermore, on October 17, 2025, the MoH Management amended the contract from the effective date of August 1, 2025 to February 27, 2026, after the contractor requested an extension of additional four months to complete the construction work. The parties agreed that by the 27th February, 2026, if all construction works are not fully completed, a penalty of US \$0.01% shall be charged daily beginning the 1st day of March 2026.

Observation

- 1.5.1.7 During the audit, we observed that construction works at the New Redemption Hospital were still ongoing beyond the approved timeline of March 31, 2025 and during the time of the audit.
- 1.5.1.8 Further, during our field visit of the New Redemption Hospital Construction Sites on May 30, 2026, and reviewed of project documents revealed the following:
- Total payments made from the total contract price of US\$12,231,032.42 to the contractor as at December 31, 2025 amounted to US\$9,209,491.68 representing 75% (percent) of the total contract price. **See Table 11 below for details:**

Table 11: Delay in the Construction of the New Redemption Hospital

	Amount US\$
Total Contract Cost	12,231,032.42
Initial Pmt. as at Dec. 31, 2024	5,492,925.84
Total payments. from Jan.1, 2025 to Dec. 31, 2025	3,716,565.84
Grand total payments as at Dec. 31, 2025	9,209,491.68
Balance of Contract Price outstanding	3,021,540.74
Percentage of payment made as at Dec. 31, 2025	75%
Percentage of payment outstanding as at Dec. 31, 2025	25%

- From the activities schedule of the construction works, all doors installations were scheduled to be completed on May 18, 2025, but delayed and were not completed up to the time of our field visit on May 30, 2026.
- Elevator installation was scheduled to be completed on October 1, 2025, but delayed and was not completed up to the time of our field visit on May 30, 2026.
- Medical Gas System connection was scheduled to be completed on September 22, 2025, but delayed and was not completed up to the time of our field visit on May 30, 2026.
- Final painting was scheduled to be completed on October 13, 2025, but delayed and was not fully completed up to the time of our field visit on May 30, 2026.
- Finalization and completion of floor work were scheduled to be completed on February 5, 2026, but delayed and were not completed up to the time of our field visit on May 30, 2026.
- ICT work was scheduled to be completed on February 20, 2026, but delayed and was not completed up to the time of our field visit on May 30, 2026. **See details in GAC Photos of the New Redemption Hospital Construction Project:**

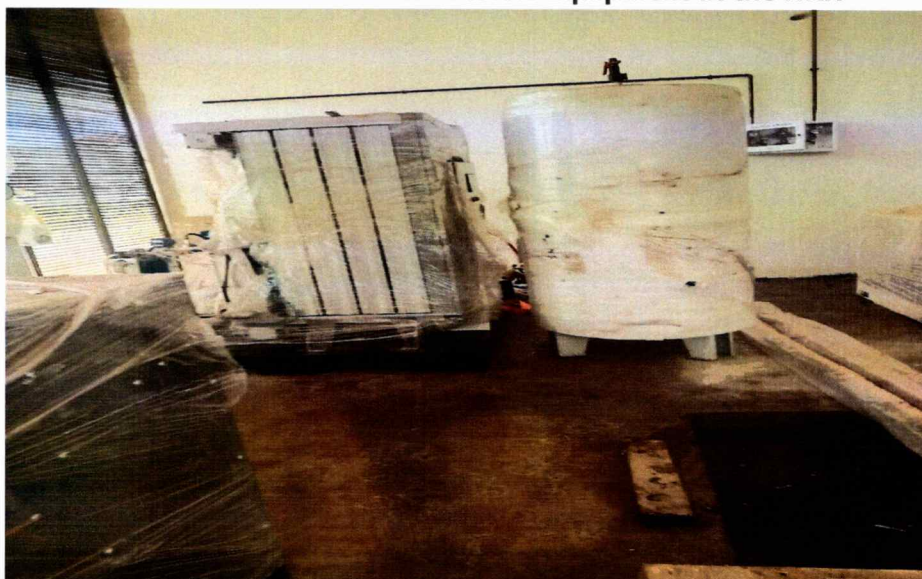
GAC Photo 1: Exterior View of the New Redemption Hospital



GAC Photo 2: Interior View of the New Redemption Hospital



GAC Photo 3: Uninstalled Medical Equipment at the NRH



GAC Photo 4: Ongoing Work of the Waste Management at the NRH



GAC Photo 5: Exterior View Under Construction at the NRH



GAC Photo 6: Exterior View of the New Redemption Hospital



GAC Photo 7: Corridor View of the New Redemption Hospital



Risk

- 1.5.1.9 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.5.1.10 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.5.1.11 Payments may be made for service not performed and value for money may be impaired.
- 1.5.1.12 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.5.1.13 Management should provide substantive justification why project deliverables cataloged in our findings above have not been implemented in line with the approved workplan and timelines, as part of Management's response to this Management Letter.
- 1.5.1.14 Management should develop, approve and operationalize work plan to facilitate the smooth implementation of deliverables for all components. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with all parties and included as supplementary documentation to the approved contracts.
- 1.5.1.15 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.5.1.16 Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.5.1.17 *The MOH management acknowledges the audit findings and recommendation. Some of the delays are associated with procurement of materials out of the country which was affected by the war in the middle east, change in the medical gas systems and other relevant changes associated with value engineering. However, management has taken the necessary steps to meet up with the revised construction completion date, August 31, 2026. See attached Exhibit IX: Report relative to the Delay in New Redemption Hospital*

Auditor General's Position

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

1.5.2 Irregularities Associated with Twelve (12) Primary Healthcare Facilities and Midwifery Skill Laboratories

Criteria

- 1.5.2.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:
- d) Ensuring that the contractor complies with the specifications and terms of the contract;
 - e) Ensuring that the contract is being performed on schedule;
 - f) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."
- 1.5.2.2 Additionally, Section 57.1 and 58.1 of the construction contracts documents of the twelve (12) primary healthcare facilities located in Sinoe, Maryland, Grand Kru, Rivercess, Bomi and Gbarpolu require the Contractor request from the Project Manager a Certificate of Completion of the works, and the Project Manager shall do so upon deciding that the whole of the works is completed. The Employer shall take over the site and the works, within seven days, the Project Manager's shall issue a certificate of completion. This objective can only be achieved when projects are completed and put into use by the authorities charged with the duty to do so.
- 1.5.2.3 Furthermore, the general conditions of the construction contracts for the rehabilitation and reconstruction work of the twelve (12) primary healthcare facilities require that, the works should comprise of foundations, floors, walls, superstructures, roofs, finishing works of the facilities, waste managements, incinerators, water supply systems (water tower) and the construction of fence on each facility.
- 1.5.2.4 Also, the general conditions of the construction contracts for the rehabilitation and upgrading of the Dianna K. Issacson School of Midwifery Skill Laboratory requires that, the works should comprise foundations, floor, wall superstructure, Roofs, finishing works of the facilities that include electrical, plumbing, fixtures, doors, windows installation, tiles, plastering, painting, ceiling and wiring.
- 1.5.2.5 The approved annual workplan and budget of the IFISH Project requires that, the Project Implementation Unit shall ensure the rehabilitation and equipment of twelve (12) selected Primary Healthcare facilities in six counties during the budget year 2025.

Observation

- 1.5.2.6 During the audit, we observed the following irregularities associated with the twelve (12) primary healthcare facilities and Midwifery Skill Laboratories located in the counties: **See Table 12 below for details and Field Photos:**

Table 12: Irregularities Associated with Twelve (12) Primary Healthcare Facilities and Midwifery Skill Laboratories

Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
1.Dianna K. Issacson School of Midwifery Skill Laboratory Rehabilitation Project in Grand Gedeh	65,494.44	62,219.72	March 15, 2026	During our field visit on May 11, 2026, the following were observed: - The rehabilitation project appeared to be completed. However, plumbing work was not executed, despite being specified in the contract agreement. - Air conditioning units were installed without protective cages (for security and theft prevention). - The door was not installed, despite being specified in the contract agreement.
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
2.Bambuta Clinic and Gbarma Health Center Construction Projects in Gbarpolu	488,091.06	234,288.71	May 31, 2026	During our field visit on May 17, 2026, the following were observed: - No construction work was ongoing during our field visit. - The building was incomplete, with no doors, wiring, or fence constructed. - The generator room, outside-bathroom, and waste-management structure were all observed to be incomplete, and plumbing work had not been carried out. - Based on the extent of the delayed, it is unlikely that the construction work will be completed on schedule.

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Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
3.Sackie Town and Sass Town Clinics Construction Projects in Bomi	483,419.33	222,441.26	March 31, 2026	During our field visit on May 19, 2026, the following were observed: • No construction work was ongoing during our field visit. • The building remains incomplete, with no doors, wiring, or fence constructed. • The work is beyond the approved completion date scheduled. • The generator room, outside-bathroom, and waste-management structure were all incomplete, and plumbing work had not been carried out. • The project was observed to be significantly behind the contractual completion date of March 31, 2026.
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
4.Tuzon and Panama Clinics Construction Projects in Sinoe	493,215.43	147,742.19	July 31, 2026	During our field visit on May 12, 2026, the following were observed: • The buildings had reached the roofing level, and workers were installing roofing sheets and ceiling boards. • The generator room, outside-bathroom, and waste-management structure were all observed to be incomplete, and plumbing work had not been carried out. • Due to the extent of the delay, we observed that it is unlikely



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Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
				that the construction work will be completed on schedule.
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
5.Old Sodoken, Gbanken and Yediaken Clinics Construction Projects in Maryland	572,998.92	572,998.92	July 31, 2026	During our field visit on May 14, 2026, the following were observed: The construction projects appeared to be completed. However, the buildings had not been equipped as indicated in the annual workplan and budget.
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
6.Juduken and Gbanken Clinics Construction Project in Grand Kru	357,951.64	357,951.64	May 31, 2026	During our field visit on May 15, 2026, the following were observed: - The construction projects appeared to be completed. However, the buildings had not been equipped as indicated in the annual workplan and budget. - The completed constructed buildings had not been formally handed over to the management of the healthcare facilities, as indicated in the contract documents.
Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
7.Bomi County Community College Skill Laboratory Rehabilitation Project in Bomi	69,505.28	16,507.50	March 15, 2026	During our field visit on May 19, 2026, the following were observed: - The construction work appeared to be abandoned by the contractor. - The project is significantly behind the contractual completion



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Facility and Locations	Total Project Cost US\$	Total Payments US\$	Project Completion Date	Conditions Observed
				date of March 15, 2026. • No construction activities were ongoing during our site visit. • No construction materials were available on site. • According to the Dean of the institution, the contractor ceased work since January 2026.

GAC Photo 8 Panama Clinic Construction Project in Sinoe County



GAC Photo 9 Old Sodoken Clinic Construction Project in Maryland County



GAC Photo 10: Juduken Clinic Construction Project in Grand Kru County



GAC Photo 11 Gblorseo Clinic Construction Project in Rivercess County



GAC Photo 12: Exterior View of Bambuta Construction Project in Gbarpolu



GAC Photo 13: Exterior View of Gbarma Healthcare Project in Gbarpolu



GAC Photo 14: Bomi Community College Skill Lab. in Tubmanburg



Risk

- 1.5.2.7 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.5.2.8 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.5.2.9 Payments may be made for service not performed and value for money may be impaired.
- 1.5.2.10 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.
- 1.5.2.11 Failure to utilize completed projects could results in waste of the project's resources.
- 1.5.2.12 Failure to complete construction project on scheduled may lead to non-achievement of the project's objectives.
- 1.5.2.13 Untimely achievement of project deliverable may lead to additional expenditure (fixed costs) of the project.
- 1.5.2.14 Project objective may not be achieved in the absence of effective project implementation and coordination.

Recommendation

- 1.5.2.15 Management should ensure that the completed clinic projects are handed over to the healthcare facilities Management.
- 1.5.2.16 Management should provide substantive justifications why the construction project of Sackie Town and Sass Town Clinics in Bomi have not been completed (March 31, 2026) as enshrined in the contract agreement.

- 1.5.2.17 Management should ensure that proper coordination, monitoring and evaluation of the healthcare construction projects are implemented periodically during the execution of the project.
- 1.5.2.18 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the healthcare facilities and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.5.2.19 Going forward, Management should develop, approve and operationalize work plan to facilitate the smooth implementation of deliverables for all components. The work plan should comprehensively catalog phases of deliverables and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with all parties and included as supplementary documentation to the approved contracts.
- 1.5.2.20 Management should provide substantive justifications why the construction work of the Bomi County Community College skill laboratory rehabilitation project had not been completed (March 15, 2026) as enshrined in the contract agreement.
- 1.5.2.21 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.5.2.22 Evidence of approved work plans, contracts and periodic monitoring and evaluation activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.5.2.23 *The MOH management notes the audit findings. Management has taken the necessary steps to meet up with the revised construction schedule by assigning the infrastructure staff visit the various sites on a bi-monthly basis to enable us to meet up with the revised completion date, August 31, 2026.*

Auditor General's Position

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

1.6 Fixed Assets Management

1.7 Irregularities Associated with the Management of the Project Assets

Criteria

- 1.7.1.1 Section seven (7) F of the Ministry of Health Fixed Assets & Warehouse Management Standard Operating Procedures (SOPs) Manual requires that Fixed Assets Register be maintained, updated and the results of the physical count should be used to update the

Fixed Asset Register. Differences between actual and recorded assets should be reconciled. The report of the physical count shall be reviewed and reconciled by the Fixed Asset Accountant and Internal Audit. Discrepancies that cannot be reconciled must be brought to the attention of senior management.

1.7.1.2 Additionally, Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:

- the date and other details of the voucher or other document on which the items were received or issued;
- their serial numbers where appropriate; and
- their distribution to individual locations and the total quantity held."

Observation

1.7.1.3 During the audit, we observed the following irregularities associated with the project's fixed assets management system at various health facilities in the counties:

- The fixed assets register did not contain all the relevant columns.
- Fixed assets registers were not regularly updated at the Rivercess, Gbarpolu, Maryland, and Grand Kru CHTs.
- There was no movement of Assets Log
- Fixed assets within a given vicinity were not displayed as required by the PFM Act.
- There was no evidence of assets schedule under the IFISH Project from the Rivercess, Gbarpolu, Maryland, Bomi and Grand Kru Counties Health Teams

See Table 13 and 14 below for details:

Table-13: No Evidence of Assets schedule Maintained by the Rivercess County Health Team for the Assets Acquired Under the IFISH Project

Asset Type	Qty.	Asset Description	Assets Cost US\$	Status	Comments
Motorbike	1	Honda XR150	3,650.00	New	No evidence of assets schedule from the RCHT
Motorbike	1	Honda XR150	3,650.00	New	No evidence of assets schedule from the RCHT
Motorbike	1	Honda XR150	3,650.00	New	No evidence of assets schedule from the RCHT
Motorbike	1	Honda XR150	3,650.00	New	No evidence of assets schedule from the RCHT
Motorbike	1	Honda XR150	3,650.00	New	No evidence of assets schedule from the RCHT
Vehicle	1	Land Cruiser	49,875.00	New	No evidence of assets schedule from the RCHT

Table-14: No Evidence of Assets schedule Maintained by the Bomi County Health Team for the Assets Acquired Under the IFISH Project

Assets Type	QTY	Asset Description	Assets Cost US\$	Status	Comments
Motorbike	1	Honda XR150	3,650	NEW	No evidence of assets schedule from the BCHT
Motorbike	1	Honda XR150	3,650	NEW	No evidence of assets schedule from the BCHT
Motorbike	1	Honda XR150	3,650	NEW	No evidence of assets schedule from the BCHT
Motorbike	1	Honda XR150	3,650	NEW	No evidence of assets schedule from the BCHT
Motorbike	1	Honda XR150	3,650	NEW	No evidence of assets schedule from the BCHT
Vehicle	1	HZ176	49,875	NEW	No evidence of assets schedule from the BCHT

Risk

- 1.7.1.4 Fixed Assets Register may be misstated (Over/understated).
- 1.7.1.5 Assets may be damaged or impaired but their values are still on the books.
- 1.7.1.6 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.7.1.7 The lack of asset 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.
- 1.7.1.8 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the project's objectives.

Recommendation

- 1.7.1.9 Management should liaise with the relevant authorities at all county health facilities to develop and maintain individual fixed assets register containing all fixed assets within the domain. The fixed assets register for all county health facilities should be consolidated and maintained by the Project.
- 1.7.1.10 Management should ensure that the fixed assets register is updated to reflect the following; description, source of purchase, date of purchase, class, code, assignee, location, condition, original cost, depreciation expense, accumulated depreciation, net book value and disposal history of the asset.
- 1.7.1.11 Management should initiate/enforce a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed asset verification exercises. Discrepancies in coding identified during verification should be updated in a timely manner.
- 1.7.1.12 The Fixed Assets Register should be updated periodically to reflect all the project's assets.

- 1.7.1.13 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of periodic physical verification should be adequately documented and filed to facilitate future review.
- 1.7.1.14 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.7.1.15 A Movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.

Management's Response

- 1.7.1.16 *Management notes the auditor's findings and recommendation. Please be informed that all assets procured under the projects are coded and recorded in the assets register before sending the assets to the counties and health facilities. The master register is kept at MOH central which is used to conduct periodic assets verifications. Going forward, management will share copy of the register with individual's county for their record.*

Auditor General's Position

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

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATION (DECEMBER 31, 2024)

Auditee: IFISH		Implementation Level of Prior Year Audit Recommendations			
Paragraph #	Issues	Responsible Party	Recommendations	Level of Implementation by Auditee	Work Done
1.1.1	Unremitted Taxes to the Liberia Revenue Authority (LRA)	IFISH Project Management	Management should provide substantive justification for not remitting withholding taxes to the LRA.	Partially resolved	We reviewed project financial records and observed no evidence of LRA Tax payment Receipt for some taxes.
1.1.10	Delay in Project Implementation	IFISH Project Management	Management should ensure that deliverables are implemented in line with the project workplan. Management should facilitate adequate coordination, monitoring, and evaluation of project activities to ensure project deliverables are implemented in a timely manner.	Unresolved	We review the project budget and annual work plan and observed delay in the implementation of the project activities, especially component one and two.
1.1.11	Delayed Incentive Payments – PBF	IFISH Project Management	Management should provide substantive justification why the payments of the PBF Incentives to health facilities were delayed for the period under audit. Management should ensure timely payments of PBF incentives to expedite the achievement of the project objectives.	Unresolved	We review the project budget and annual work plan and observed delay in the payment of the PBF incentive.

*Management Letter on the Financial Statement Audit of the
Institutional Foundations to Improve Services for Health Project (IFISHP)
For the Fiscal Year Ended December 31, 2025*

Auditee: IFISH		Implementation Level of Prior Year Audit Recommendations			
Paragraph #	Issues	Responsible Party	Recommendations	Level of Implementation by Auditee	Work Done
1.1.15	Delay Incentive Payments – Community Health Service Division (CHSD)	IFISH Project Management	Management should provide substantive justification why the payments of the CHS Incentives to health facilities were delayed for the period under audit. Management should ensure timely payments of CHS incentives to expedite the achievement of the project objectives.	Not Resolved	We review the project document and ledger and observed delay in the payment of community Health Services Incentives.

ANNEXURES

Annexure 1: Payments without Evidence of Adequate Supporting Documents (Maryland County Health Team)

Payment Date	Payee	Description	Voucher #	Check #	Amount US\$	Issues Observed
1/17/2025	Blessed Sunshine Business center	Payment for fuel and gasoline	PV-00007-2025	128155	3,600.00	Contract date was from July 1, 2024 to December 31, 2024 which show that it got expired before the payment and no distribution log was attached.
1/23/2025	Blessed Sunshine Business center	Payment for communication card	PV-00008-2025	128156	500.00	No distribution log and the contract agreement got expired Jan 3, 2025
1/23/2025	Blessed Sunshine Business center	Payment for lubricant	PV-00009-2025	128157	400.00	No letter of request for payment
2/11/2025	Jacob D. Hinneh spare part	Payment for spare part	PV-00013-2025	128160	845.00	No letter of request for payment
2/11/2025	Ezekiel K. Nimely	Payment for JISS needs based training	PV-00015-2025	128162	110.00	No report, and no retirement from the trip.
18-Feb-25	Ezekiel K. Nimely	Payment for 3 days DSA for QRM, transportation and hall rental for quarter 4 2024	PV-00016-2025	128163	4,385.00	No receipts for the hall rental. No report, and no retirement from the trip.

Annexure 1 Continue: Payments without Evidence of Adequate Supporting Documents (Maryland County Health Team)

Payment Date	Payee	Description	Voucher #	Check #	Amount US\$	Issues Observed
2-Sep-25	Redlink Stationery	Purchase of office equipment	0001053-2025	128194	3,760.00	No letter of request for payment
5-Sep-25	Ezekiah K. Nimely	DSA for Q2 and Transportation	00057-2025	128198	4,080.00	No retirement report
9-Oct-25	Masow N. Son Business Inc.	Purchased of fuel and gas	00071-2025	469958	4,800.00	No distribution Log

Payment Date	Payee	Description	Voucher #	Check #	Amount US\$	Issues Observed
12-Dec-25	Samuel Dugbe	DSA for joint Integrated Supportive Super	00079-2025	469962	2,780.00	No retirement
19-Dec-25	Ezekieh K. Nimely	DSA PBF for quarterly performance review meeting	00082-2025	469965	3,880.00	No retirement report
2-Sep-25	Sea Rock Beach	Procurement catering Service	00056-2025	128197	180.00	No letter of request for payment
10-Sep-25	Oscentino LinkVenture Inc.	Procurement of Bikes spare parts	00053-2025	128196	710.00	No letter of request for payment, no delivery note
24-Sep-25	Front Porch Bar	Procurement of Catering service	00065-2025	128202	220.00	No letter of request for payment
26-Sep-25	Samuel Dugbe	DSA payment for facilitator to conduct ledger training	00068-2025	469955	1,275.00	No retirement report
Total					31,525.00	

**Annexure 2: Payments on Bank Statement without Evidence of Payment Vouchers
(Maryland County Health Team)**

Bank Date	Payee name	Check #	Amount
1/2/2025	Mount Scott United Methodist Church	195	750.00
1/10/2025	Samuel Dugbe	196	484.00
4/7/2025	Samuel Dugbe	128171	2,880.00
4/8/2025	Blessed sunshine Business	115	5,400.00
Total			9,514.00

Annexure 1A: Payments without Evidence of Adequate Supporting Documents (Maryland CHT Team)

No.	Payment Date	Payee	Description	Voucher #	Check #	Amount US\$	Issues Observed	Documents Provided	Documents Outstanding
1	1/17/2025	Blessed Sunshine Business center	Payment for fuel and gasoline	PV-00007-2025	128155	3,600.00	Contract date was from July 1, 2024 to December 31, 2024 which show that it got expired before the payment and no distribution log was attached.	Fuel Contract	Fuel Distribution Log
2	1/23/2025	Blessed Sunshine Business center	Payment for communication card	PV-00008-2025	128156	500	No distribution log and the contract agreement got expired Jan 3, 2025	Fuel Contract	Fuel Distribution Log
3	1/23/2025	Blessed Sunshine Business center	Payment for lubricant	PV-00009-2025	128157	400	No letter of request for payment	Scratch Cards Log and scratch card contract	Letter of request for payment and Fuel Log
6	18-Feb-25	Ezekiel K. Nimely	Payment for 3 days DSA for QRM, transportation and hall rental for quarter 4 2024	PV-00016-2025	128163	4,385.00	No receipts for the hall rental. No report, and no retirement from the trip.	Receipt for US\$240.00	Receipt for US\$4,389 and Retirement Report for the Trip.
7	2-Sep-25	Redlink Stationery	Purchase of office equipment	0001053-2025	128194	3,760.00	No letter of request for payment	None	Letter of request for payment
8	5-Sep-25	Ezekiah K. Nimely	DSA for Q2 and Transportation	00057-2025	128198	4,080.00	No retirement report	None	Retirement Report
9	9-Oct-25	Masow N. Son Business Inc.	Purchased of fuel and gas	00071-2025	469958	4,800.00	No distribution Log	None	Fuel Distribution Log
10	12-Dec-25	Samuel Dugbe	DSA for joint Integrated Supportive	00079-2025	469962	2,780.00	No retirement	None	Retirement Report

*Management Letter on the Financial Statement Audit of the
Institutional Foundations to Improve Services for Health Project (IFISHP)
For the Fiscal Year Ended December 31, 2025*

No.	Payment Date	Payee	Description	Voucher #	Check #	Amount US\$	Issues Observed	Documents Provided	Documents Outstanding
			Super						
11	19-Dec-25	Ezekieh K. Nimely	DSA PBF for quarterly performance review meeting	00082-2025	469965	3,880.00	No retirement report	None	Retirement Report
13	10-Sep-25	Oscentino LinkVenture Inc.	Procurement of Bikes spare parts	00053-2025	128196	710	No letter of request for payment, no delivery note	None	Letter of Request for payment and Delivery Note
14	24-Sep-25	Front Porch Bar	Procurement of Catering service	00065-2025	128202	220	No letter of request for payment	None	Letter of Request for payment
15	26-Sep-25	Samuel Dugbe	DSA payment for facilitator to conduct ledger training	00068-2025	469955	1,275.00	No retirement report	None	Retirement Report
Total						31,525.00			

Annexure 2A

Bank Date	Payee name	Check #	Amount US\$	Document Provided	Document Outstanding
1/2/2025	Mount Scott United Methodist Church	195	750	None	Payment Vouchers
1/10/2025	Samuel Dugbe	196	484	None	Payment Vouchers
4/7/2025	Samuel Dugbe	128171	2,880.00	None	Payment Vouchers
4/8/2025	Blessed sunshine Business	115	5,400.00	None	Payment Vouchers
Total			9,514.00		

