



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT



ON THE FINANCIAL STATEMENTS  
AUDIT OF THE INCIDENT  
MANAGEMENT SYSTEM (IMS)  
COVID-19 RESPONSE

For the Five Months Ended June  
30, 2020

December 2020

Yusador S. Gaye, CPA, CGMA  
Auditor General, R L

## Republic of Liberia



The Honorable Speaker of the House of Representatives, and the President Pro-Tempore of the House of Senate:

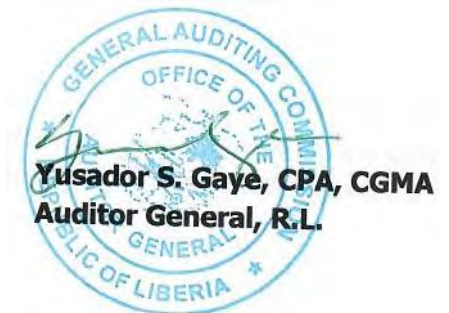
We have undertaken the audit of the Incident Management System (IMS) COVID-19 Response financial statements for the five months ended June 30, 2020. The audit was conducted under the **Auditor General's statutory mandate, as provided for under section 2.1.3** of the GAC Act of 2014.

Findings conveyed in this report have been formally communicated to the Management of the Incident Management System (IMS) COVID-19 Response. Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report. We encourage you to pay particular attention to the following:

- There was an unexplained variance of US\$168,995.65 between the amounts recorded as receipts per the general ledger and amount in the financial statements.
- An amount of US\$25,000,000 (Twenty-Five million United States Dollars) was shown on the **face of the financial statements as "Payments by other Government Entities"**. There was no associated disclosure in the notes to the financial statements as to the source and distribution.
- The Incident Management System (IMS) did not disclose in its summary of cash balances the United Bank for Africa (UBA) Accounts and balances as at June 30, 2020.
- The Incident Management System failed to disclose information on the COVID-19 Recast National Budget of the Republic of Liberia for the fiscal period ended June 30, 2020 for which it was set up to have oversight of all COVID-19 funds. COVID-19 Recast National Budget of the Republic of Liberia allocated the amount of US\$32,770,000.00 for the fight against COVID-19 to the seven entities.
- There was no disclosure of donations received, whether cash, goods or services during the reporting period which will assist readers of the financial statements to better understand the full extent of donations received.

- The amount of US\$71,500 paid to Q. Pewee, was not recorded in the ledger.
- The IMS made several advance payments amounting to US\$120,436 and L\$41,552,038.59 to County Health Teams, various Ministries, Agencies and Commissions (MACs) and individual employees without evidence of liquidation.

Given the significance of the matters raise in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro-Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.



Monrovia, Liberia  
December 2020

# Ministry of Health COVID-19 Response

Unaudited Financial Report February 1, 2020 – June 30, 2020

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**The Incidence Management System (IMS) COVID-19 Response**  
**Ministry of Health, R.L**

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### 1.0.0 Responsibilities of the Minister of Health


The Financial statements set contained in this report have been prepared in accordance with the provisions of the Amendment and Restatement of the Public Finance Management Act, 2009 and in compliance with the Cash Basis International Public Sector Accounting Standards (IPSAS).

In accordance with the provisions of the Amendment and Restatement of the Public Finance Management Act, 2009, I am responsible for the control of and accounting for funds controlled by the Ministry of Health.

Under Section 48(3) of the same Act, I am required to cause to be prepared, quarterly financial statements, which are submitted to the Minister of Finance at the end of each quarter to which the financial statements relate. Accordingly, I am pleased to submit the required financial statements in compliance with the Act. I have provided and will continue to provide all the information and explanations as may be required in connection with these financial statements.

Based on advice of the Deputy Minister for Administration and Financial Comptroller, I confirm these financial statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the Amendment and Restatement of the Public Finance Management Act, 2009.

  
Dr. Wilhelmina Jallah  
Minister of Health



9/9/2020  
Date

## **AUDITOR GENERAL'S REPORT ON THE INCIDENT MANAGEMENT SYSTEM (IMS) COVID-19 RESPONSE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020**

### Adverse Opinion

We have audited the financial statements of the Incident Management System (IMS) COVID-19 Response for the five months ended June 30, 2020 which comprise the statement of cash receipts and payments, statement of comparison of budget and actual amount and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not give a true and fair view of the Incident Management System (IMS) COVID-19 Response for the five months ended June 30, 2020, and of its statement of receipts and payments, Statement of Comparison of Budget and Actual amount and summary of accounting policies and other explanatory notes in accordance with the International Public Sector Accounting Standards (IPSAS) Cash Basis Accounting.

### Basis for Adverse Opinion

We identified multiple issues of significant materiality that affect the financial statement. These issues can be categorized into these areas:

The financial statements do not provide the disclosures necessary to achieve fair presentation of the financial statements in compliance with Cash Basis IPSAS 2017.

There were no explanatory notes on information about the entity, in this case the Incident Management System (IMS) COVID-19 Response.

Analysis on receipts and payments; notes on the variance between the budget and actual; additional information like schedules or analyses on receipts and payments were not disclosed to achieve fair presentation and enhance accountability.

An amount of US\$25,000,000 (Twenty-Five million United States Dollars) was shown on the face of **the financial statements as "Payments by other Government Entities" but** here was no associated disclosure in the notes to the financial statements as to the source and distribution.

Components of the financial statements including the reporting date, period and reporting currency were not properly identified in the financial statements.

COVID-19 Recast National Budget of the Republic of Liberia for the fiscal period, beginning July 1, 2019 and ending June 30, 2020 allocated the amount of US\$32,770,000.00 for the fight against COVID-19 to the seven entities. The Incident Management System (IMS) was set up to have oversight of all COVID-19 funds and report on such to the National Coordinator of ECOC. Disclosure of

information about such matters and the source of funding will enhance transparency and accountability of financial reporting.

There was an unexplained variance of US\$168,995.65 between the amounts recorded as receipts per the general ledger and amount in the financial statements.

The Incident Management System (IMS) did not disclose in its summary of cash balances its United Bank for Africa (UBA) Accounts and balances as at June 30, 2020.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are independent of The Incident Management System (IMS) COVID-19 Response in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) Cash Basis Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

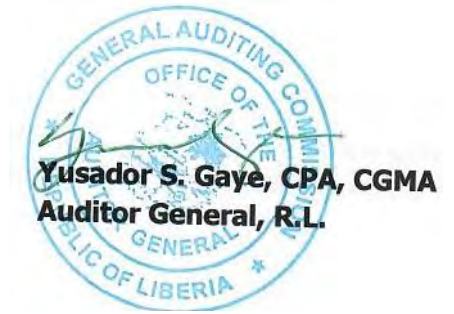
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole **are free from material misstatement, whether due to fraud or error, and to issue an auditor's report** that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit in accordance with ISSAIs involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the **auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error**. In making those risk assessments, the auditor considers **internal control relevant to the entity's preparation and fair presentation of the financial statements** in order to design audit procedures that are appropriate in the circumstances, but not for the purpose **of expressing an opinion on the effectiveness of the entity's internal control**. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting



*Auditor General's Report  
On the Financial Statements of the Incident Management System (IMS)  
COVID-19 Response  
For the Five Months Ended June 30, 2020*

estimates made by management, as well as evaluating the overall presentation of the financial statements.



Monrovia, Liberia  
December, 2020

### 1.1.0 Receipts and Payments

Financial Row	Receipts/Payments Controlled by Entity	Payments by other Government Entities	Total
<b>Beginning Balance</b>	-	-	-
<b>Receipts</b>			
Receipts - GOL	3,550,513.42	25,000,000.00	28,550,513.42
Receipts - Others	210,000.00	-	210,000.00
<b>Total Receipts</b>	<b>3,760,513.42</b>	<b>25,000,000.00</b>	<b>28,760,513.42</b>
<b>Available</b>	<b>3,760,513.42</b>	<b>25,000,000.00</b>	<b>28,760,513.42</b>
<b>Payments</b>			
<b>071001-COVID-19</b>			
Case Management	2,068,647.96	-	2,068,647.96
Coordination	59,637.59	-	59,637.59
EPI-Surveillance	41,856.90	-	41,856.90
Finance and Administration	575,075.85	-	575,075.85
Lab	21,335.49	-	21,335.49
Logistics	17,664.75	-	17,664.75
Risk Communication	60,481.57	-	60,481.57
Wash	131,341.72	-	131,341.72
Others	-	25,000,000.00	25,000,000.00
<b>Total - 071001-COVID-19</b>	<b>2,976,041.83</b>	<b>25,000,000.00</b>	<b>27,976,041.83</b>
<b>Ending Balance</b>	<b>784,471.59</b>	-	<b>784,471.59</b>

### 1.2.0 Statement of Budget and Actual

PILLARS	Budget Amount	Actual Amount	Variance	% of Variance
Case Investigation	13,160.00	0.00	13,160.00	100.00%
Case Management	1,592,513.34	1,271,228.54	321,284.80	20.17%
Coordination	351,333.33	11,425.24	339,908.09	96.75%
DBM	15,440.00	0.00	15,440.00	100.00%
EPI-Surveillance	0.00	0.00	0.00	0.00%
Finance and Administration	916,553.33	575,075.85	341,477.48	37.26%
Gender	30,000.00	0.00	30,000.00	100.00%
Lab	22,500.00	21,335.49	1,164.51	5.18%
Logistics	146,000.00	17,664.75	128,335.25	87.90%
Risk Communication	65,000.00	43,207.36	21,792.64	33.53%
Wash	135,000.00	131,341.72	3,658.28	2.71%
Others	25,807,750.00	25,000,000.00	807,750.00	3.13%
<b>Total</b>	<b>29,095,250.00</b>	<b>27,071,278.95</b>	<b>2,023,971.05</b>	<b>6.96%</b>

### 1.3.0 Cash Statement

#### Bank Accounts

June 30, 2020

322231 - CBL 1602003969 GOL COVID-19 Response USD	414,443.74
322232 - CBL 1601003072GOL COVID-19 Response LRD	374,790.73
322110 - CBL 1501008294 Ministry of Health Operations LRD	(2,355.10)
322111 - CBL 1502021904 Ministry of Health Operations USD	(2,407.78)

#### Total - Bank Accounts

784,471.59

## **1.4.0 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**

These financial statements have been prepared in accordance with the requirements of the Amendment and Restatement of the Public Finance 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. 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 tender of the Republic of Liberia. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

#### **ii. Translation of transactions in foreign and or other currency**

Foreign currency transactions are translated into United States Dollar (US\$) using the exchange rates prevailing at the date of the transaction. Closing monetary balances are translated into the reporting currency using the closing rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

### **e. Reporting Period**

The reporting period for these financial statements is the February - June of the Government's financial year 2019-2020.

### **f. Receipts**

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

### **g. Expenses**

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

### **h. Property, Plant and Equipment (physical assets or fixed assets)**

Property, plant and equipment principally comprise land, buildings, plant, vehicles, equipment, and any other capital assets controlled by the Ministry.

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.

Unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements. Proceeds from disposal of property, plant and equipment are recognized as non-tax receipt in the period in which it is received.

**i. Financial Software**

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