



Management Letter

On the Financial Statement Audit of the Regional Disease Surveillance System Enhancement Phase II Project (REDISSE)

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



Promoting Accountability of Public Resources

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

Monrovia, Liberia
December 2021

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Acronyms

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
CBO	Community Based Organizations
CFC	Certified Financial Consultant
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigative Professional
CPA	Certified Public Accountant
DMA	Deputy Minister for Administration
DMHS	Deputy Minister for Health Services
EOC	Emergency Operation Center
FS	Financial Statements
GoL	Government of Liberia
REDISSE	Regional Disease Surveillance System Enhancement
IFR	Interim Financial Reports
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
MOH	Ministry of Health
No.	Number
OFM	Office of Financial Management
PBF	Performance Based Financing
PCO	Project Coordination Office
PFM	Public Financial Management
PIM	Project Implementation Manual
PPC	Public Procurement & Concessions
QPR	Quarterly Progress Report
SOE	Statement of Expenditure
TA	Technical Assistance
ToR	Term of Reference
UNOPS	United Nations Office for Project Services
USD/US\$	United States Dollars

December 30, 2021

Dr. Wilhelmina Jallah
Minster
Ministry of Health
Congo Town
Paynesville City, Liberia

Dear Dr. Jallah:

Re: Management Letter on the Financial Statement Audit of the Regional Disease Surveillance System Enhancement Phase II Project (REDISSE) for the fiscal Period ended June 30, 2021.

The Financial Statements of the **Regional Disease Surveillance System Enhancement Phase II Project (REDISSE)** for the fiscal period ended June 30, 2021 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 REDISSE financial statements for the fiscal period ended June 30, 2021 has been completed; the purpose of this letter is to bring to your attention the findings that were revealed during the conduct of 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.

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staffers of the Regional Disease Surveillance System Enhancement Phase II Project (REDISSE) during the audit.



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

Monrovia, Liberia
December 2021

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Unpresented Checks

Observation

- 1.1.1.1 Section 6 paragraph 6.5.1 of the PFMU Financial Procedure Manual states, "the cash book shall be reconciled monthly to the bank statement within 10 working days of the month end. Difference deriving there from shall be investigated and resolved promptly. Unpresented checks will be written back in the project's books of account one month after the negotiable period of six (6) months has elapsed."
- 1.1.1.2 Additionally, Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates: "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".
- 1.1.1.3 During the conduct of the audit, it was observed that the REDISSE Project Management did not write back in the project's cashbook twenty-four (24) unpresented checks amounting to US\$37,861.93. These checks have been outstanding beyond the period of six months. **See table 1 below for details.**

Table 1: Checks outstanding for more than six (6) months

Date	Description	# Of Months O/S	Amount US\$
15-Jun-20	General Revenue Account	12 months	107.82
15-Jun-20	General Revenue Account	12 months	1,119.00
15-Jun-20	General Revenue Account	12 months	5,430.00
16-Jun-20	Aminata & Son	12 months	1,385.00
16-Jun-20	Orange Liberia	12 months	185.00
July 10,2020	General Revenue Account	11 months	397.80
July 10,2020	General Revenue Account	11 months	511.00
July 10,2020	General Revenue Account	11 months	103.48
July 10,2020	General Revenue Account	11 months	87.40
July 10,2020	General Revenue Account	11 months	15,120.00
July 10,2020	General Revenue Account	11 months	2,360.00
July 10,2020	General Revenue Account	11 months	68.66
July 10,2020	General Revenue Account	11 months	619.69
July 10,2020	General Revenue Account	11 months	16.00
July 10,2020	General Revenue Account	11 months	31.16
July 10,2020	General Revenue Account	11 months	1,690.00
July 10,2020	General Revenue Account	11 months	240.00
July 10,2020	General Revenue Account	11 months	4,648.98
July 10,2020	General Revenue Account	11 months	960.00

Date	Description	# Of Months O/S	Amount US\$
July 10,2020	General Revenue Account	11 months	910.15
July 10,2020	General Revenue Account	11 months	350.00
July 10,2020	General Revenue Account	11 months	153.18
July 10,2020	General Revenue Account	11 months	616.44
Sept. 04, 2020	Aminata & Son	9 month	751.17
Total			37,861.93

Risk

- 1.1.1.4 Outstanding checks for over six months may lead to understatement of the cash book and the financial statements.
- 1.1.1.5 Preparation of checks for withholding taxes which are not subsequently remitted to the LRA may deny GoL of much needed tax revenue.
- 1.1.1.6 Management of the REDISSE Project may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. **Please see Section 52 of the Revenue Code of Liberia as reference above.**

Recommendation

- 1.1.1.7 The REDISSE Management Project should ensure that all checks written for payment of withholding taxes should be deposited in the General Revenue Account in a timely manner.
- 1.1.1.8 The Management of the REDISSE should adjust the cash book by the total value of the unrepresented checks and restate the financial statements with the adjusted cash balance.

Management's Response

- 1.1.1.9 *Kindly note that a Tax Form is used to facilitate payment of taxes to GOL instead of Check as purported at the Auditor. This form DOES NOT become stale after 6 months like checks.*
- 1.1.1.10 *Due to the delays encountered with tax payment combined with the protocol for tax payment, tax remittance forms are filled and subsequently sent to the banks where the projects accounts' are kept. There are no expiry dates attached to the forms which allow them to be paid as and when they have been signed by the relevant signatories.*
- 1.1.1.11 *Hence, we cannot adjust our Cash Book because these tax remittance forms can be paid and cleared anytime by the Commercial Banks.*

Auditor General's Position

- 1.1.1.12 Tax remittance forms filled, signed and sent to the bank for payment of taxes is a rapid mode of payment intended to facilitate immediate payment of taxes. Therefore, had the Management instituted payment of withholding taxes using tax forms, all outstanding payments should have been cleared.

- 1.1.1.13 Section 1.2.2 of the cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the entity. Financial statements prepared under the cash basis IPSAS provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the financial statements is balances of cash and changes therein. Notes to the financial statement may provide additional information about liabilities, such as payable and borrowing, and some non-cash assets, such as receivables, investment and property, plant and equipment.
- 1.1.1.14 Regulation I.16.(1and2) of the PFM Act of 2009; states that:
- (1) At the close of business of the last working day of each month or financial year, whichever is applicable, the accounts shall be balanced off.
 - (2) The receipts and payments that belong to a period or a financial year other than the reporting period or financial year, shall be shown in the accounts and the details shall be given in the notes to the accounts.
- 1.1.1.15 The outstanding payments of withholding taxes at the end of the period, for which the cashbook was initially credited, has resulted into the understatement of the cashbook and not balancing with the bank. The outstanding withholding tax payments should therefore be disclosed in the financial statements as a commitment. Therefore, we maintain our findings and recommendations.

1.1.2 Non remittance of staffers withholding Taxes

Observation

- 1.1.2.1 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates: "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".
- 1.1.2.2 During the conduct of the audit, it was observed that the REDISSE Project Management withheld the total amount of US\$45,840 as withholding taxes from staffers without evidence that the amount was remitted to the LRA. **See table 2 below for details:**

Table 2: Taxes withheld from Project Staff without evidence of remittances

Date	Description of transaction	Titles	# Of Months (A)	Monthly Tax (B) US\$	Annual Withholding Tax (C)=(A*B) US\$
12/2/20	Taxes withheld	Consultant	12	200.00	2,400.00
12/2/20	Taxes withheld	Consultant	12	100.00	1,200.00
12/2/20	Taxes withheld	Consultant	12	350.00	4,200.00
12/2/20	Taxes withheld	Consultant	12	250.00	3,000.00
12/2/20	Taxes withheld	Consultant	12	250.00	3,000.00

Management's Response

- 1.1.2.8 *PFMU has worked and continue to engage with the stakeholders regarding the provision of GOL flag receipt as evidence of tax payment. The LRA has indicated that the PFMU is not regarded as one of her Collectorates that can issue flag receipt. The issuance of flag receipts will have to go through various approvals levels and in their wisdom, the PFMU cannot issue a flag receipt for the reasons given above.*
- 1.1.2.9 *Notwithstanding, LRA has encouraged PFMU to ensure that tax payments are made on behalf of consultants and vendors to the General Revenue account via the LRA tax remittance forms which will be captured by their system and the consultant or vendor can later claim their tax credit from the LRA system.*

Auditor General's Position

- 1.1.2.10 The Project Management's response did not adequately address the audit findings. Therefore, we maintain our findings and recommendations.

1.1.3 Unremitted Taxes withheld from Service providers

Observation

- 1.1.3.1 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates: "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".
- 1.1.3.2 During the conduct of the audit, it was observed that the Management of the REDISSE Project withheld the total amount of US\$4,439.99 as withholding taxes from vendors without evidence that the amount was remitted to the LRA. **See table 3 below for details:**

Table 3: Unremitted Taxes withheld from Service provider

Date	PV #	Payee	Description	Amount US\$
08/06/21	258	Tape Design	Tax for printing of brochures and bumper plus other awareness materials for Lassa Fever awareness and prevention	128.75
08/06/21	256	Consultants	Tax for project's consultants assigned at MOA for the month of May, 2021	450
07/06/21	254	Siafa Madia Store	Tax for the printing and installation of billboards on COVID -19 awareness and prevention in ten counties after tax deduction as per the attached	418
07/06/21	252	Surveillance Officers	Tax for six members of the County Level Animal Surveillance Officers MoA as consultancy fees for the month of April 2021	180
7/6/2021	251	Surveillance Officers	Tax for six members of the County Level Animal Surveillance Officers MoA as consultancy fees for the month of March 2021	180
07/06/21	250	Surveillance	Tax for six members of the County Level	180

Date	PV #	Payee	Description	Amount US\$
		Officer	Animal Surveillance Officers MoA as consultancy fees for the month of February 2021	
27/01/21	165	Consultant	Tax for REDISSE Project Staff Consultancy fees for the month of January 2021	1,960.00
29/07/20	019	RaJ Enterprise Inc.	Tax for communication cards for used by the REDISSE Project's Coordination Team for the period July to September 2020	86.8
16/07/2020	010	Super Petroleum	Tax for 1,650 gallons of fuel for use by REDISSE Project staff for July-September 2020	115.5
24/07/21	018	Aminata ans Sons Inc.	Tax for 7,676 gallons of diesel fuel at rate of USD 3.45 for use by the Emergency Response Team on COVID-19 eradication.	529.64
18/12/2020	148	Aminata ans Sons Inc.	Tax for 6,020 gallons of fuel to support the National Public Health Institute's operations (Generator, DIDE/Surveillance's Vehicle and Laboratory 32 eater Bus) for the period October to December 2020	211.3
Total				4,439.99

Risk

- 1.1.3.3 Failure to remit taxes withheld, could deny GoL of much needed tax revenue.
- 1.1.3.4 Non remittance of withholding taxes may lead to overstatement of the cash book and subsequently the financial statements.
- 1.1.3.5 Management of the REDISSE Project may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. **Please see Section 52 of the Revenue Code of Liberia as reference above.**

Recommendation

- 1.1.3.6 The Management of the REDISSE Project should facilitate full remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000.
- 1.1.3.7 The Management of the REDISSE Project should adjust the cash book by the total value of the non-remitted withholding taxes and restate the financial statements with the adjusted cash balance.

Management's Response

- 1.1.3.8 *PFMU has worked and continue to engage with the stakeholders regarding the provision of GOL flag receipt as evidence of tax payment. The LRA has indicated that the PFMU is not regarded as one of her Collectorate that can issue flag receipt. The issuance of flag receipts will have to go through various approvals levels and in their wisdom, the PFMU cannot issue a flag receipt for the reasons given above.*
- 1.1.3.9 *Notwithstanding, LRA has encouraged PFMU to ensure that tax payments are made on behalf of consultants and vendors to the General Revenue account via the LRA tax*

remittance forms which will be captured by their system and the consultant or vendor can later claim their tax credit from the LRA system.

Auditor General's Position

- 1.1.3.10 The Project Management's response did not adequately address the audit findings. Therefore, we maintain our findings and recommendations.

1.1.4 Project implementation Status

Observation

- 1.1.4.1 According to the REDISSE Project Appraisal Document, the main objectives of the project are (I). To strengthen national and regional cross-sectoral capacity for collaborative disease surveillance and epidemic preparedness in West Africa, thereby addressing systemic weaknesses within the animal and human health systems that hinder effective disease surveillance and (II). To respond in the event of Eligible Emergency, to provide immediate and effective response to said Eligible Emergency.
- 1.1.4.2 During the conduct of the audit, it was observed that the project activities have not been implemented according to schedule under the REDISSE Project.
- 1.1.4.3 As a result of delayed activities, the project annual approved budget shows a significant variance between approved budget and actual expenditures incurred for the implementation of the REDISSE Project. **See table 4 below for details**

Table 4: Approve Budget and actual implementation expenditure

#	Components	Approved budget US\$	Actual Expenditure US\$	Variance	% Variance
1.	Support Coordinated Community-level Surveillance	85,400	22,650	62,750	73
2.	Develop Capacity for interoperable surveillance and reporting systems	529,016	47,751	481,265	91
3.	Establish an early warning system for infectious disease	474,725	19,355	455,370	96
4.	Improve Data Management and Specimen Management Systems	150,142	-	150,142	100
5.	Enhance Regional Reference Laboratory Network Functions	124,700	5,562	119,138	96
6.	Healthcare Workforce Mapping, Planning & Recruitment	698,361	96,190	602,171	86
7.	Enhance Health workforce Training, Motivation & Retention	1,248,030	135,289	1,112,741	89
Total		3,310,374	326,997	2,983,577	

Risk

- 1.1.4.4 Project objectives may not be achieved in the absence of effective project implementation and coordination.

1.1.4.5 The absence of effective monitoring and evaluation of project deliverables may deny the achievement of value for money during the execution of the project.

Recommendation

1.1.4.6 Management of the REDISSE Project should ensure that the project deliverables are implemented in line with the project work plan.

1.1.4.7 Management of the REDISSE Project should ensure that proper coordination, monitoring and evaluation of the Project are implemented periodically during the execution of the project.

Management's Response

1.1.4.8 *We have herewith attached the annual report for the REDISSE project for the period July 1, 2020 to June 30, 2021. This report encapsulates all the aforementioned issues highlighted by the Auditor. Exhibit IV (Due to the file size, we have copied this file to a pen drive for your reference)*

Auditor General's Position

1.1.4.9 Management did not submit the Annual Report as asserted in its response. It is important to note that Management's provision of documents after our review, does not guarantee Management effective control of document management. Therefore, we maintain our findings and recommendations.

1.2 Administrative Issues

1.2.1 Fixed Assets Register

Observation

1.2.1.1 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.

1.2.1.2 During the conduct of the audit, it was observed that the following irregularities were associated with the REDISSE Project fixed assets management system. **Please see table 5 below for details.**

Table 5: Irregularities associated with project assets

No.	Counties	Assets Description	Cost US\$	Discrepancies
1.	Rivercess	6 Thunder bikes	3,500 for each	Immobile
2.	Sinoe	(9) Lenovo Think pad Laptops	Not available	Not verified
2.	Rivercess	7 Thunder bikes	3,500 for each	Not in register
3.	Rivercess	(1) Lenovo Think Pad Laptop	Not available	Not verified
4.	Gbarpolu	Thunder Moto Bikes	3,500 for each	Not Insured

No.	Counties	Assets Description	Cost US\$	Discrepancies
5.	Grand Cape mount	Thunder Moto Bikes	3,500 for each	Not Insured
6.	Nimba	Thunder Moto Bikes	3,500 for each	Not Insured

Risk

- 1.2.1.3 Assets may be missing, damaged, but their values are still on the book.
- 1.2.1.4 Fixed assets may be removed from the entity's premises without authorization; converted to personal use, misappropriated or subject to theft.
- 1.2.1.5 In the absence of a full insurance coverage of a project, project assets may be expose to defects liability.

Recommendation

- 1.2.1.6 The Management of the REDISSE Project should ensure that the project fixed assets register is updated to reflects the cost, code, location and condition of the assets.
- 1.2.1.7 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the project assets.
- 1.2.1.8 The result of the physical verification exercise should be documented and filed to facilitate future review.
- 1.2.1.9 Management should account for fixed assets that were not verified during the physical inspection of the project assets
- 1.2.1.10 The Management of the REDISSE Project should facility the comprehensive insurance of the project assets to transfer risks associated with defect's liability.

Management's Response

- 1.2.1.11 *The assignees/Surveillance Officers of several of these assets have vehemently denied ever coming across GAC or been summoned by GAC to produce any asset. This finding was shared in the chatroom of all the Surveillance Officers and they are incensed by GAC claims.*
- 1.2.1.12 *It must be noted that the Surveillance Officers are not based in the capital cities of those counties but rather the districts. This means that for GAC to make such claims, they must have gone to those individual districts and summoned the assignees/Surveillance Officers.*
- 1.2.1.13 *It must be noted that we (PFMU and the PIU) conducted a Fixed Assets verification exercise across the country and was able to confirm and have information on all of the fixed assets. This was done by simply informing the assignees/Surveillance Officers about our verification exercise and meeting them at agreed points. We insist that the assets are there to be verified.*

Auditor General's Position

- 1.2.1.14 Management's assertion does not adequately address the audit findings. Therefore, we maintain our findings and recommendations.

1.2.2 Bank Reconciliation Report

Observation

- 1.2.2.1 Section 6.5 (3) of the PFMU Financial Manual delegates the preparation and review responsibilities to the Assistant Project Accountant (APA) and the Internal Auditor respectively.

- 1.2.2.2 During the conduct of the audit, it was observed that monthly bank reconciliation Reports prepared by the PFMU did not show the titles of the preparer, reviewer and approver on the monthly bank reconciliation statements for the period under review.

Risk

- 1.2.2.3 The lack of title of the preparer, reviewer, and the person responsible for approval of bank reconciliation statement could make it difficult to determine their level of experience and seniority of the preparer, reviewer and approver.

Recommendation

- 1.2.2.4 The Management should indicate the titles of the preparer, reviewer and approver of the bank reconciliation statement in line with the PFMU Financial Procedure Manual.

Management's Response

- 1.2.2.5 *The PFMU is in full compliance with sections 6.5.3 and 7.1.1(f) of the Financial Procedures Manual. Anyone including GAC reviewing Bank Reconciliation Statements (BRSs) from PFMU will know that BRS are prepared by Accountants, reviewed by Auditors and approved by the Senior Project Accountant who happens to be the Deputy Director of PFMU. The risk stated by GAC in this instance is non – existent.*

- 1.2.2.6 *Moreover, GAC was provided signature specimen of Groups Accountants, Internal Auditors, Unit Head / Director - PFMU and Senior Project Accountant / Deputy Director – PFMU in relations to Payment vouchers processing. The same signature specimen applies for Bank Reconciliations Statements.*

Auditor General's Position

- 1.2.2.7 Management's assertion does not address the issue raised. Going forward, management should ensure that the titles of the preparer, reviewer and approver are displayed on the Bank Reconciliation Statements.

REDISSE PROJECT AUDIT 2020/2021
2 STATUS OF PRIOR YEAR (2019/2020) RECOMMENDATIONS

No.	Findings	Observation	Recommendation	Status of Prior Year Audit Recommendations
1.	1.1.1.1 Erroneous Debits	During the conduct of the audit, it was observed that the Liberia Bank for Development and Investment (LBDI) erroneously debited the REDISSE Project's Account with the total amount of US\$72,738.56 from October 24, 2019 through June 23, 2020. There was no evidence that the Project Management made contact with the bank to rectify the errors in a timely manner.	1.1.1.5 The REDISSE Project Management should ensure that errors by the bank are promptly rectified.	Implemented
2	1.1.2 Outstanding Checks	During the conduct of the audit, it was observed that the REDISSE Project Management did not write back in the project's cash book five (5) checks intended for the General Revenue Account which were outstanding beyond the period of six (6) months.	1.1.2.3 The REDISSE Management should write back the outstanding checks.	Implemented
3	1.1.3 AFENET Insurance Coverage & Taxes	During the conduct of the audit, it was observed that the Management of the REDISSE Project did not provide evidence that the insurance coverage was taken on the contract price nor the 15% withholding taxes on the installment payments were withheld	1.1.3.6 The Management of the REDISSE Project should provide justification for not providing evidence of insurance coverage and deduction of taxes for remittance to LRA as per the consultancy contract.	Implemented

No.	Findings	Observation	Recommendation	Status of Prior Year Audit Recommendations
		and remitted to the LRA		
4.	1.1.4 Payment Voucher	During the conduct of the audit, it was observed that payment voucher number 2020/329 in the name of African Field Epidemiology Network (AFENET) was erroneously posted as 2020/314 in the project ledger	1.1.4.5 The Management of the REDISSE Project should provide justification for erroneously posting voucher number 2020/329 as 2020/314 in the project ledger.	Implemented
5.	1.1.5.2 Unposted Voucher	2.1.1.1 During the conduct of the audit, it was observed that a payment voucher number REDISEE/2020/285 in the amount of US\$94,200 for operational level Surveillance Officers and District Officers was not posted to the Project ledger.	2.1.1.2 We acknowledged the management assertion. Going forward, we admonish the project management to ensure that all transactions associated with the project activities are posted to the ledger and the drill down consistent with the PFMU Financial Procedures Manual.	Implemented
6.	1.1.5 Withholdings Taxes	During the conduct of the audit, it was observed that the Management of the REDISSE Project withheld the total amount of US\$27,996.00 from staff salaries without evidence that the amount was remitted to the LRA	11.5.8 The PFMU Management should ensure that withholding taxes are paid within ten days after the last day of the month as stipulated by the 2000 Revenue Code of Liberia as amended in 2011. All receipts should also be obtained and filed for future reference. We therefore maintain our finding	Implemented
7.	1.1.6 Unremitted	During the conduct of	1.1.6 The PFMU	Implemented

No.	Findings	Observation	Recommendation	Status of Prior Year Audit Recommendations
	Taxes	the audit, it was observed that the Management of the REDISSE Project withheld the total amount of US\$15,720 as taxes from vendors without evidence that the amount was remitted to the LRA.	Management should ensure that withholding taxes are paid within ten days after the last day of the month as stipulated by the 2000 Revenue Code of Liberia as amended in 2011. All receipts should also be obtained and filed for future reference. We therefore maintain our finding	
8.	1.1.7 Bomi and Margibi Counties Assets Verification	During the project Assets verification, it was observed that several Thunder Motor Bikes assigned to county Surveillance Officers in Bomi, Margibi and Nimba Counties were not insured as required.	1.1.7.7 Going forward, the project management should ensure that assets such as motor bikes and vehicles are insured over the project timeframe.	Not implemented
9.	1.1.8 Bank Reconciliation	During the conduct of the audit, it was observed that monthly bank reconciliation statements prepared by the REDISSE Project Management did not show the titles of the preparer, reviewer and approver on the monthly bank reconciliation statements for both CBL and LBDI-Operational Accounts.	1.1.8.4 The Management of the REDISSE Project should ensure that positions or titles of the staffers responsible to prepare, review and approve the monthly bank reconciliations are displayed on the reconciliation statements.	Not implemented
10.	1.1.8 Tengda Construction Company Taxes	During the conduct of the audit, it was observed that the Management of the REDISSE Project paid US\$206,042.76 to Tengda Construction Company for rehabilitation of the	The PFMU Management should ensure that withholding taxes are paid within ten days after the last day of the month as stipulated by the 2000 Revenue Code of Liberia as amended in 2011. All receipts should also be	Implemented

*Management Letter on the Financial Statement Audit of the
Regional Disease Surveillance System Enhancement Phase II Project (REDISSE)
For the Period July 1, 2020 to June 30, 2021*

No.	Findings	Observation	Recommendation	Status of Prior Year Audit Recommendations
		Project's Staff Health Building without evidence that withholding taxes withheld on the installment payments was remitted to the LRA.	obtained and filed for future reference. We therefore maintain our finding.	