



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On the Financial Statement Audit of the
Institutional Foundations to Improve Services**

**for Health Project (IFISHP)-Project ID:
P169641 - (IDA 66460)**



June 2023

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

Table of Contents

ACRONYMS USED	2
Opinion	3
Basis for Opinion	3
FINANCIAL STATEMENTS	5
Statement of Receipts and Payments.....	5
Statement of Comparison of Budget and Actual Amounts	6
Statement of Fund Balance and Cash Status.....	7
Statement of Financial Position.....	8
Project Designated Account Statement.....	13
NOTE TO FINANCIAL STATEMENTS	9

ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AF	Additional Financing
AG	Auditor General
APA	Assistant Project Accountant
CCC	Community Care Center
CGMA	Chartered Global Management Accountant
CPA	Certified Public Accountant
CRT	County Response Team
EERP	Ebola Emergency Response Project
ETU	Ebola Treatment Unit
EVD	Ebola Virus Disease
FS	Financial Statements
GAC	General Auditing Commission
GoL	Government of Liberia
IFISH	Institutional Foundation to Improve Services for Health
HSSP	Health System Strengthening Project
IBRD	International Bank for Reconstruction And Development
IDA	International Development Association
IMS	Incident Management System
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LCPS	Liberia College of Physicians and Surgeons
MOH	Ministry of Health
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PMT	Project Management Team
SPA	Senior Project Accountant

June 30, 2023

Dr. Wilhelmina Jallah
Minister
Ministry of Health
Republic of Liberia

Dear Dr. Jallah:

**RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE
Institutional Foundations to Improve Services for Health Project (IFISH)**

Opinion

We have audited the accompanying financial statements of the Institutional Foundations to Improve Services for Health Project (IFISH) for the eighteen (18) months ended December 31, 2022 financed by IDA 66460 which comprises the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

In our opinion, the accompanying financial statements (IDA 66460) present fairly, in all material respects, the Statement of Receipts and Payments for the eighteen (18) months ended December 31, 2022, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the eighteen (18) months ended December 31, 2022 in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

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 entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the World Bank guideline 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 opinion.

Management's Responsibility

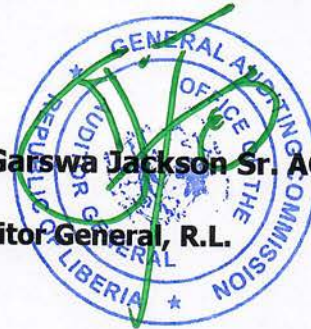
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The IFISH Management is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

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 ISSAIs 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.

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



Monrovia, Liberia
June 2023

FINANCIAL STATEMENTS

GRANT NO: IDA 66

Institutional Foundations to Improve Services for Health Project (IFISH)

Project Financial Management Unit (PFMU)

Statement of Receipts and Payments

For the Eighteen (18) Months ended December 31, 2022

	Notes	January 1, 2022 To December 31, 2022	July 1, 2021 To December 31, 2021	Cumulative
Receipts:				
IDA Grant 59690	4	2,264,728	2,035,990	4,300,718
Funds Returned IDA 59690				
Total Receipts		2,264,728	2,035,990	4,300,718
Payments:				
Improve Service Delivery	5	2,887,256	461,695	3,348,950
Project Management	6	451,503	44,829	496,332
Total Payment		3,338,759	506,524	3,845,282
Excess of Receipts over pmts./(Pmts. over Receipts)		(1,074,031)	(1,529,466)	455,436
Fund Balance as at beginning		1,529,467	-	-
Cumulative fund balance		455,435	1,529,466	455,436

The notes on page 9 to 13 are integral parts of these reports

**Institutional Foundations to Improve Services
for Health Project (IFISH)
Statement of Comparison of Budget and Actual Amounts
For the Eighteen (18) Months ended December 31, 2022**

	Project Allocation US\$	Annual Budget US\$	Actual Expenditure US\$	Variance US\$
Improve Service Delivery	47,000,000	9,000,203	3,348,950	5,651,253
Institutional Strengthening to address key binding Constraints	6,000,000	-	-	-
Project Management	1,000,000	505,419	496,332	9,087
Total	<u>54,000,000</u>	<u>9,505,622</u>	<u>3,845,282</u>	<u>5,660,340</u>

The notes on page 9 to 13 are integral parts of these reports

GRANT NO: IDA 66460

**Institutional Foundations to Improve Services
 for Health Project (IFISH)**

Project Financial Management Unit (PFMU)

Statement of Fund Balance and Cash Status

For the Eighteen (18) Months Ended December 31, 2022

	January 1 to December 31, 2022	July 1, 2021 to December 31, 2021
	US\$	US\$
A. FUND BALANCE		
Balance of Project Fund	1,529,466	-
Add: Total Receipts during the period	2,264,728	2,035,990
Total fund available for operations	3,794,194	2,035,990
Less: Total payments during the period	3,338,759	506,524
Balance of Project fund at the end of the year	455,435	1,529,466
B. CASH STATUS		
Cash on hand		
Cash at bank	455,435	1,529,466
Total cash on hand and in bank	455,435	1,529,466
Different between A and B	-	-

The notes on page 9 to 13 are integral parts of these reports

GRANT NO: IDA 66460


**Institutional Foundations to Improve Services
 for Health Project (IFISH)**

Project Financial Management Unit (PFMU)

Statement of Financial Position

For the Eighteen (18) Months Ended December 31, 2022

	January 1 to December 31, 2022	July 1, 2021 to December 31, 2021
	US\$	US\$
Assets		
Cash and cash equivalent	455,435	1,529,466
Total Assets	455,435	1,529,466
Fund Balance		
Grant	455,435	1,529,466
Salary Control (Unpaid health workers)		
Accumulated Fund Balance	455,435	1,529,466


June 30, 2023
Papin Daniels, Jr.
 Director, Donor Financed Projects
 PFMU, MFDP


06/30/23
Matthew T.K. Flomo
 Project Coordinator
 MOH

The notes on page 9 to 13 are integral parts of these reports

NOTE TO FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the International Development Association the Project is to improve Services for Health Project for Liberia is to improve service delivery to women, children, and adolescents in Liberia. The IFISHP was approved by the world bank on May 21, 2020 and signed on June 14, 2020 in the amount of USD54,000,000

The Project constitutes the second phase of program, and consists of the following parts:

NOTES TO FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the International Development Association the project is to Improve Services for Health Project for Liberia is to improve health service delivery to women, children and adolescents in Liberia. The IFISHP was approved by the World Bank on May 21, 2020 and signed on June 14, 2020 in the amount of **USD 54,000,000.00**.

The Project constitutes the second phase of the program, and consists of the following parts:

Component 1. Improved Service Delivery component will be financed using the traditional Investment Project financing (IPF) approach and include the following subcomponents: Subcomponent 1.1. Operationalizing new Redemption Hospital Phrase 1 and 2 will finance the design, construction and supervision of Phrase 2, and the procurement and installation of equipment for both phrase 1 and 2 of the new Redemption Hospital. Subcomponent 1.2 Enhancing human resource skills will ensure the delivery of quality health services at all levels, qualified and skilled personnel. Subcomponent 1.3. Scaling-up the success of performance- Based Financing (PBF) will support costs related to the provision of maternal, adolescent, and child services through PBF to select primary health care centers and hospitals. Subcomponent 1.4. Support to the national Community Health Assistant (CHA) program will finance costs related to the CHA program, with the aim to improve the quality of preventives, promotional and curative Reproductive, Maternal, Neonatal Child, Child and Adolescent Health (RMNCAH) services including Antenatal Care (ANC), Postnatal Care (PNC), and follow-up in the community, and as a link between the community and health facilities. Subcomponent 1.5. Support for community and school health intervention to improve access to adolescent health care will finance a basic package of evidence -based interventions at schools and in the community that supports the longer-term objective of contributing to the reduction of teenage pregnancies and maternal mortality. Subcomponent 1.6. Improve availability of essential medicines and RMNCAH products will cover costs related to the procurement of selected essential medicines and supplies, required to save lives of mothers and neonates.

Component 2. Institutional Strengthening to Address key Binding Constraints component will be financed using IPF with Disbursement- Linked Indicators (DLIs). Subcomponent 2.1. Enhanced and reliable data availability and evidence – based decision making will support the development of standards and procedures that ensure the availability of reliable and timely data at all levels and across all functions of the health system. Subcomponent 2.2. Effective supply chain management will finance activities that strengthen procurement management and forecasting, improves inventory management and logistics warehousing – accessibility, security, stock management, and information system. Subcomponent 2.3. Improved human resource management will support costs

related to the Ministry of Health (MOH's) development and implementation of an effective human resource strategy and performance management system. Subcomponent 2.4. Support for school-based interventions to improve adolescent health will support activities that address institutional barriers to the joint implementation of the school- base adolescent program by the MOH and Ministry of education (MOE). Subcomponent 2.5. Strengthened citizen engagement will support activities to strengthen community and citizen engagement by improving their access to information, and capturing their voice and feedback.

Component 3. Project Management component has two subcomponents. Subcomponent 3.1 Project coordination will provide administrative support to the Project Implementation Unit (PIU). Subcomponent 3.2. Monitoring and Evaluation will support costs related to the M and E of project activities.

Component 4. Contingency Emergency Response Component is included as needed.

2. Used of Grant Proceeds

The table below sets out the activities to be financed out of the grant proceeds, the allocation of the amounts of the grant to each activity is shown below:

Activities	Amount of grant Allocated US\$
Improve Service Delivery	47,000,000
Institutional Strengthening to address key binding constraints	6,000,000
Project Management	1,000,000
Total	54,000,000

All categories of expenditure shown in the financial statements are fully financed based on the percentage below:

	% of Expenditure
IDA grant	100
Total	100

3. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with the Cash Basis for International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Grant Agreement as required by the World Bank's Operating Policies and Procedures and PFMU's Financial Management Manual.

Reporting Currency

The Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of the transaction(s). Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

Grant Receipts

Loan/ Credit from donors for the IFISH Project is recognized and reported in the Statement of Receipts and Payments as income when received and held in a bank account called designated income account for disbursement purposes. All payment for the IFISH Project and activities are made from the designated account.

Cash and bank balances

Cash consists of cash in hand and balance at bank.

Recognition of expenditure

All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the World Bank.

TAX

The project is 100 percent inclusive of tax. Taxes are withheld on consultants and vendors.

IDA Grant

	January 1 to December 31, 2022	July 1, 2021 to December 31, 3021
4. Grant Receipt		
	US\$	US\$
Funds Returned -IDA 59690	<u>1,505,425</u>	<u>2,035,990</u>
IDA 59690- Direct Payment	<u>759,303</u>	-
	<u>2,264,728</u>	<u>2,035,990</u>

	January 1 to December 31, 2022	July 1, 2021 to December 31, 3021
5. Improve Service Delivery		
	US\$	US\$
Scaling-up the successful of PBF	2,424,565	461,695
Support to the National Community Assistant (CHA) Program	462,691	-
Sub total	<u>2,887,256</u>	<u>461,695</u>
6. Project Management		
Project Coordination	451,503	44,829
Monitoring & Evaluation (monitoring, supervision, and support)	-	-
	<u>451,503</u>	<u>44,829</u>

7. Cash receipts through grant and other sources

IDA Grant	<u>2,264,728</u>	<u>2,035,990</u>
-----------	-------------------------	-------------------------

8. Cash Paid

Improve Service Delivery	2,887,256	461,695
. Project Management	451,503	44,829
Total Payments	<u>3,338,759</u>	<u>506,524</u>

Institutional Foundations Improve Service Health Project (IFISHP)
GRANT NO IDA 66460
Project Designated Account Statement
For the Eighteen (18) Months Ended December 31, 2022

Account No. 6101762122 & 6101762112
 Account Type: Current Accounts
 Depository Bank: Eco Bank Liberia Ltd.
 11th Street, Sinkor
 Monrovia, Liberia

	January 1 to December 31, 2022	July 1, 2021 to December 31, 2021
	US\$	US\$
Grant Received	<u>2,264,728</u>	<u>2,035,990</u>
Total Grant Income Reported	<u>2,264,728</u>	<u>2,035,990</u>
Amount spent	3,338,759	506,524
Add balance at the beginning of the year	1,529,466	-
Balance as at December 31, 2022	<u><u>455,435</u></u>	<u><u>1,529,466</u></u>
Closing Balance Consist of:		
Cash on Hand Petty Cash	622	-
DLI a/c-Ecobank	130	<u>539,595</u>
IDA Designated a/c-Ecobank	<u>454,683</u>	<u>989,871</u>
	<u><u>455,435</u></u>	<u><u>1,529,466</u></u>