



## **Management Letter**

### **On the Closeout Financial Statement Audit of the Incident Management System (IMS) COVID-19 Response**

*For the Period January 1, 2023 to December 31, 2023*



### **Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
August 2024

## Table of Contents

<b>1</b>	<b>DETAIL FINDINGS AND RECOMMENDATIONS .....</b>	<b>5</b>
<b>1.1</b>	<b>Financial Issues .....</b>	<b>5</b>
1.1.1	Uncommitted Cash Balances.....	5
1.1.2	Disparity in Testing Fees .....	6
1.1.3	Payments Without Adequate Supporting Documentation-Job Completion Certificates	8
1.1.4	Non-Liquidation of Advances .....	9
1.1.5	Payment for Training without Adequate Supporting Documentation .....	10
1.1.6	Payments Without Supporting Documentation -Payment Vouchers .....	12
<b>1.2</b>	<b>Compliance Issues .....</b>	<b>14</b>
1.2.1	Irregularities Associated with Fixed Asset Management.....	14
1.2.2	Procurement without Delivery Notes .....	17
<b>1.3</b>	<b>Administrative Issues .....</b>	<b>18</b>
1.3.1	Risk Assessment Process.....	18
1.3.2	No Internal Audit Report .....	19
<b>2</b>	<b>ANNEXURES .....</b>	<b>21</b>

## ACRONYMS USED

Acronym	Meaning
AG	Auditor General
FCCA	Fellow Chartered Certified Accountant
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
COBIT	Control Objectives for Information and Related Technology
COSO	Committee of Sponsoring Organization of the Treadway Commission
ESOP	Emergency Standard Operating Procedures
GAC	General Auditing Commission
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standard of Supreme Audit Institutions
IMS	Incidence Management System
MoH	Ministry of Health
NPHIL	National Public Health Institute of Liberia
PFM	Public Finance Management
PPC	Public Procurement & Concession

August 20, 2024

Dr. Dougbeh Chris Nyan  
Director General  
National Public Health Institute of Liberia (NPHIL)  
Congo Town, Montserrado County  
Monrovia, Liberia

Dear Dr. Nyan:

The closeout financial statements of the Incident Management System (IMS) are subject to audit by the Auditor General (AG) consistent with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

## **INTRODUCTION**

Financial Statements Audit on the IMS for the period January 1, 2023 to December 31, 2023 have been completed and 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 an 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 statements' presentation.

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


### **Key Management Personnel of IMS**

<b>Name</b>	<b>Rank</b>	<b>Period of service</b>
Dr. Wilhelmina Jallah	Minister/Incident Manager- IMS	February 2019 – December 2023
Hon. Jane Macauley	Deputy Incident Manager	February 2019 – December 2023
Fidel Wiah	Deputy Incident Manager for Finance and Administration	May 2019 - December 2023
Sam W. Tarty	Procurement Lead	May 2019 - December 2023
Ambrose Wreh	HR Team Lead	February 2019 - December 2023
Kollenmu G. Massade	Compliance	February 2019 - December 2023

### **Appreciation**

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

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

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

**Monrovia, Liberia**

June 2024

## 1 DETAIL FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Uncommitted Cash Balances

##### Criteria

- 1.1.1.1 Section 34 of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 2019 states that, "all un- allotted appropriations and all uncommitted allotments will lapse at the end of the fiscal year. All balances of appropriations committed but not disbursed prior to the end of the fiscal year, shall be available for the settlement of those obligations within 90 days from the end of the preceding fiscal year. All such balances not disbursed after ninety (90) days following the end of the preceding fiscal year shall be moved to government Consolidated Account. The recording, accounting and reporting of such undisbursed balances shall be set out in accounting regulations to be issued under this Act and shall be consistent with the provisions of sections 47, 48 and 49 of this Act".

##### Observation

- 1.1.1.2 During the audit, we observed that Management did not remit into the Government of Liberia Consolidated Fund account the aggregated uncommitted cash balance for bank balances totaling **US\$514,290.37** as required.

##### Risk

- 1.1.1.3 Management may be non-compliant with Section 34 of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 2019.
- 1.1.1.4 Non-remittance of uncommitted cash balances at the end of the Response may lead to misapplication and misappropriation of public funds.

##### Recommendation

- 1.1.1.5 Management should facilitate full compliance with the PFM Act by ensuring that uncommitted cash balances are remitted into the Consolidated Fund Account in a timely manner. Evidence of full remittance including copies of deposit slips and bank statements should be submitted to the Office of the Auditor General for validation and subsequently documented and filed to facilitate future review.

##### Management's Response

- 1.1.1.6 Management acknowledges your observation and is pleased to inform you that she has deposited the remaining cash balance of US\$ 507,856.02. The evidence of deposit/transfer is attached to this document and my email.

##### Auditor General's Position

- 1.1.1.7 We acknowledge Management remittance of US\$507,856.02 of the United Bank of Africa (UBA) ending cash balances.

- 1.1.1.8 However, Management should ensure that the outstanding uncommitted cash balances domiciled at the Central Bank of Liberia totaling US\$ 6,434.35 are remitted into the Consolidated Fund Account and provide evidence of remittance to the Office of the Auditor General for validation within thirty days after the issuance of the Auditor General's Report to the National Legislature. Evidence of full remittance including copies of deposit slips and bank statements should be adequately documented and filed to facilitate future review.

## 1.1.2 Disparity in Testing Fees

### Criteria

- 1.1.2.1 Regulation A. 3 (1 and 2) of the PFM Act of 2009 as Amended and Restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.
- 1.1.2.2 Additionally, Section 48 (1) of the PFM Act of 2009 as Amended and Restated 2019 as Amended and Restated 2019 states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister.

### Observation

- 1.1.2.3 During the audit, we observed that Management reported the total amount of US\$40,441.45 as revenue from COVID-19 testing fees. However, we recomputed projected revenue for the period using the number of passengers by multiplying the number of passengers by the approved fees paid and compared same to the revenue reported in the General Ledger thus resulting into a variance of US\$533.55. **Please see Table 1 below for details.**

**Table 1: Discrepancies between Recomputed revenue and General Ledger**

Month	Description	Total Passengers	Projected Revenue US\$	General Ledger US\$	Variance US\$
January 2023	COVID-19 testing fees	309	21,750.00	21,570.45	179.55
February 2023		77	5,475.00	5,572.00	(97)
March 2023		109	7,950.00	7,550.00	400.00
April 2023		61	4,475.00	4,425.00	50.00
May 2023		20	1,325.00	1,324.00	1.00
	<b>Total</b>	<b>576</b>	<b>40,975.00</b>	<b>40,441.45</b>	<b>533.33</b>

1.1.2.4 Additionally, we observed there were some International and National Partners, that were exempted from payment of covid-19 testing fees. However, there exist no policy document to specify those to be exempted or documented procedures for the selection of beneficiaries for exemption of Covid-19 testing fees.

1.1.2.5 Further, Management provided no evidence of the listing for exempted individuals.

**Risk**

1.1.2.6 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.

1.1.2.7 In the absence of documented procedures and policies, passengers may be arbitrarily exempted thereby denying government of the required revenue.

**Recommendation**

1.1.2.8 Management should develop, approve and operationalize a policy for revenue collection of testing fees. The policy should include provision for exempted passengers.

1.1.2.9 Management should perform monthly revenue reconciliation: multiply number of passengers by approved rate (adjusting for exemption), compare same to revenue in the General Ledger and the bank statements. Variances identified should be investigated and adjusted (where applicable) in a timely manner.

1.1.2.10 Evidence of approved policy and periodic reconciliation should be adequately documented and filed to facilitate future review.

**Management's Response**

1.1.2.11 *Management acknowledges the recommendation. There is an existing policy on the management of funds for the COVID-19 Response. Management is currently reviewing the policy and relevant adjustments are being made to reflect exemptions, among other considerations. We conducted monthly reconciliations of receipts from all sources of funds. The analyses were provided. The variance of US\$ 533.55 is because of passengers/travelers who were exempted as per the travel protocol. The IMS exempted International and National Partners supporting the MOH.*

1.1.2.12 *There were existing protocols that allowed for exemptions and which the Minister (Incident Manager) utilized. However, as recommended in previous audit reports the technical team has developed a policy on exemptions which is before the policymakers for review and subsequent approval that compliments existing protocols.*

**Auditor General's Position**

1.1.2.13 We acknowledge Management's assertions. However, exemptions documents were not provided by Management.



- 1.1.2.14 On the basis of non-disclosure of exempted persons in the approved policy, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.3 Payments Without Adequate Supporting Documentation-Job Completion Certificates

#### Criteria

- 1.1.3.1 Regulation P.9 (1) (2) of the PFM Act of 2009 as Amended and Restated 2019 provides that all disbursements or payments of public moneys shall be properly supported by pre-numbered payment vouchers. Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers.

#### Observation

- 1.1.3.2 During the audit, we observed no evidence of adequate supporting documents such as job completion certificates amounting to US\$28,175.00 to validate that services were actually performed. **See Table 2 below for details.**

**Table 2: Payments Without Adequate Supporting Documentation (Job Completion Certificates)**

No	Date	Voucher Num	Description	Amount USD
1	10/1/23	COVID-0007	Payment to Restoration Security Servies for the provision of security	1,000.00
2	4/27/2023	COVID-0061	Payment to A1 Tech Solutions for servicing of 23 air conditioners at Charlesville Facility	4,400.00
3	21/3/23	COVID-0036	Payment to Restoration Security Servies for the provision of security.	500.00
4	23/10/23	COVID-0106	Payment to Shark Entertainment as arrears for provision catering services provided during IMS meetings.	16,660.00
5	8/3/2023	COVID-0081	Payment to Electro Shark for provision of internet services at the testing facility.	5,615.00
<b>Total</b>				<b>\$28,175.00</b>

#### Risk

- 1.1.3.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.1.3.4 In the absence of job completion certificates, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.

1.1.3.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

1.1.3.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

#### **Recommendation**

1.1.3.7 Management should fully account for expenditure made without adequate supporting documents.

1.1.3.8 Going forward, Management should ensure 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.

#### **Management's Response**

1.1.3.9 *Management acknowledges the recommendation and has copies of the job completion certificates for the transactions listed. Management will present copies for review.*

#### **Auditor General's Position**

1.1.3.10 We acknowledge Management's assertion and subsequent submission of the job completion certificates after our audit execution. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.

1.1.3.11 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions(in accounting software for financial transactions), archived and maintained to facilitate future review.

### **1.1.4 Non-Liquidation of Advances**

#### **Criteria**

1.1.4.1 Section 9.1 of The COVID-19 Resource Management Emergency Standing Operating Procedures (ESOP) states that "for all response activities implemented in or out of Montserrado County, a full financial liquidation report must be submitted within two working days following the completion of disbursement.

#### **Observation**

1.1.4.2 During the audit, we observed that a total disbursement of US\$ 7,074.5 was made by

Management to County Health Team for COVID-19 response preparedness, operation, and Human resource costs without evidence of retirement/liquidation report to validate the authenticity of the transactions. **See Table 3 for details.**

**Table 3 - Advances without liquidation reports**

No	Date	Voucher Number	Description	Amount US\$
1	4/4/2023	COVID-0029	Payment to Gbarpolu County HealthTeam.	2,000.00
2	11/15/2023	COVID-0114	Payment to Gbarpolu County Health Team.	5,074.5
<b>Total</b>				<b>\$7,074.5</b>

### **Risk**

1.1.4.3 Failure to prepare periodic liquidation report may facilitate misappropriation of public funds.

1.1.4.4 This practice may lead to misstatement of expenditures in the financial statements.

### **Recommendation**

1.1.4.5 Management should request liquidation reports of advance payments from sub-recipients to ensure that funds retired are adequately supported by original copies of receipts, activities reports and beneficiaries listing. Subsequently, all liquidation reports should be documented and filed to facilitate future review.

### **Management's Response**

1.1.4.6 *Management has obtained copies of the report of advance payment from the county and is pleased to submit it to the GAC for review and verification purposes.*

### **Auditor General's Position**

1.1.4.7 We acknowledge Management's assertion and subsequent submission of the supporting documents after our audit execution. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.

1.1.4.8 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions(in accounting software for financial transactions), archived and maintained to facilitate future review.

## **1.1.5 Payment for Training without Adequate Supporting Documentation**

### **Criteria**

1.1.5.1 Regulation P.9 (1) (2) of the PFM Act of 2009 as Amended and Restated 2019 provides that all disbursements or payments of public moneys shall be properly supported by pre-

numbered payment vouchers. Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers.

### Observation

- 1.1.5.2 During the audit, we observed no evidence of adequate supporting documents for training amounting to US\$2,049.00 such as contract, training reports, list of participants, venue of the training and job completion certificate to validate that services were actually performed. **See Table 4 below for details.**

**Table 4: Payment without Adequate Supporting Documentation**

No	Date	Voucher Num	Description	Amount USD
1	5/3/2023	COVID-0058	Payment for training of two staff	<b>\$2,049.00</b>

### Risk

- 1.1.5.3 Payments may be made for services not performed.
- 1.1.5.4 In the absence of contract, training reports, list of participants, venue of the training and job completion certificate, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.1.5.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.5.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

### Recommendation

- 1.1.5.7 Management should fully account for expenditure made without adequate supporting documents.
- 1.1.5.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, training reports, list of participants, venue of the training, invoices, job completion certificates, 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.

### Management's Response

- 1.1.5.9 *Management acknowledges the recommendation and corrective measures will be taken. Management has been faced with challenges in moving documents from one end to another and re-filing documents. However, as recommended in previous audit reports management has obtained the supporting documents relating to the transaction mentioned and continues to put in place proper archiving measures to retrieve documents for internal and external purposes.*

### Auditor General's Position

- 1.1.5.10 We acknowledge Management's assertion and subsequent submission of the supporting documents after our audit execution. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.
- 1.1.5.11 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions(in accounting software for financial transactions), archived and maintained to facilitate future review.

### 1.1.6 Payments Without Supporting Documentation -Payment Vouchers

#### Criteria

- 1.1.6.1 Regulation P.9 (1 &2) of the PFM Act of 2009 as Amended and Restated 2019 states that "All disbursements or payments of public moneys shall be properly supported by pre-numbered payment vouchers. "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".
- 1.1.6.2 Section 4.3 paragraph (5) of the IMS ESOP states, "The IMS Finance shall ensure that pre-numbered receipts, requests, vouchers and supporting documents for financial transactions are timely and properly done for the COVID-19. A recordkeeping system, manual and/or automated, shall be maintained for all payment requests, payments, donations (in cash and kind), and receipts for the COVID-19. Financial activities shall be summarized into relevant financial reports for submission to the DIM for Finance & Administration.

#### Observation

- 1.1.6.3 During the audit, we observed no evidence of supporting documents such as invoices and payment vouchers for several payments amounting to US\$2,800.00 to validate the legitimacy of the transactions. **See Table 5 for details.**

**Table 5- Payments Without Supporting Documentation**

No.	Date	Description	PV #	Amount US\$
1	9/29/2023	Payment for servicing of vehicle to Thunder Bird Corporation.	COVID-0101	1,000.00
2	3/17/2023	Payment for security guards to Restoration Security Services.	COVID-0072	1,000.00
3	8/16/2022	Payment for servicing of vehicle to Thunder Bird Corporation.	COVID-0067	500.00
4	7/31/2023	Salary payment for response.	COVID-0083	300.00
<b>Total</b>				<b>\$2,800.00</b>

**Risk**

- 1.1.6.4 Payments may be made for services not performed.
- 1.1.6.5 In the absence of supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.1.6.6 The absence of supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.6.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

**Recommendation**

- 1.1.6.8 Management should fully account for expenditure made without adequate supporting documents.
- 1.1.6.9 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as 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.

**Management's Response**

- 1.1.6.10 *Management acknowledges the recommendation and corrective measures will be taken. Management has been faced with challenges in moving documents from one end to another and re-filing documents. However, as recommended in previous audit reports management has obtained a few of the supporting documents and continues to put in place proper archiving measures to retrieve documents for internal and external purposes.*

**Auditor General's Position**

- 1.1.6.11 We acknowledge Management's assertion and subsequent submission of some supporting documents after our audit execution and have adjusted the transaction to be accounted for by Management to US\$300.00. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.
- 1.1.6.12 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions(in accounting software for financial transactions), archived and maintained to facilitate future review.

## **1.2 Compliance Issues**

### **1.2.1 Irregularities Associated with Fixed Asset Management**

#### **Criteria**

- 1.2.1.1 Regulation V.4 of the PFM Regulation of 2009 states" (1) Furniture, and equipment issued for Government quarters or offices, or vehicle and other fixed asset shall be brought on a master inventory of the Government Agency. (2) The master inventory shall record under each category of item: (a) the date and other details of the voucher or other document on which the items were received or issued; (b) their serial numbers where appropriate; and (c) their distribution to individual locations and the total quantity held. (3) In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location. (4) The dates and other details of all receipts and issue of items to or from the location shall be recorded on both copies of the inventory as they occur. (5) The initial entries and all other entries made later both copies of the inventory shall be validated by the signature of the officer having the use of the items, or where there is more than one officer, the most senior of them.
- 1.2.1.2 Additionally, the ESOP require that the IMS Logistics shall document, physically verify and track goods and assets delivered and donated under the COVID-19. They shall do the same for services and works. They shall ensure that quality is attained in the delivery of goods and assets, and in service delivery and completion of works. They shall maintain accurate and up-to-date supply chain, inventory management and maintenance records, both manual and automated, on all logistics, services and works for COVID-19. They shall summarize all activities into relevant summaries and report to the IM.

#### **Observation**

- 1.2.1.3 During the audit, we observed the following irregularities associated with the fixed assets management system:
- There was no evidence of a fixed assets management policy.
  - Fixed assets in the possession of the Executive Committee on Coronavirus (ECOC) in Liberia were not included in the Fixed Asset Register submitted by the IMS Management. **See annexure 1 for details.**
  - Some assets in the possession of individuals have no evidence of turnover notes by the IMS Management after the closure of the response. **See table 6**
  - Fixed assets at the treatment center and Union testing center are unassigned and unutilized and have not been turn over by the IMS Management after the closure of the response. **See annexure 2 for details.**
  - The fixed assets register did not contain all the relevant columns.
  - The fixed assets register was not regularly updated.
  - There was no evidence of periodic physical verification of assets by Management
  - There was no evidence of movement of assets form.
  - Fixed assets within a given vicinity were not displayed as required by the PFM



**Table 6- Assets in the Possession of Individuals**

No.	Items	Name	Model	Code	Dept./ Location	Assigned Personnel
1	Laptop	Lenovo	Thinkpad	IMS-NPHIL-EQUIPMT-504	IMS Procurement	Wannie Gray
2	Printer	HP	HP Color Laserjet Pro M274Dn	IMS-NPHIL-EQUIPMT-518	NPHIL/Procurement	WannieGray
3	Laptop		Macbook	IMS-NPHIL-EQUIPMT-517	Minister Office	Christine Jarett
4	Laptop	Lenovo	Yoga	IMS-NPHIL-EQUIPMT-511	OFM/MOH	Solomon Sagbeh
5	Printer	HP	HP Color Laserjet Pro M377DW	IMS-NPHIL-EQUIPMT-508	NPHIL/Logistics	VictoriaSmith
6	Laptop	Lenovo	Thinkpad	IMS-NPHIL-EQUIPMT-516	EPI/IMS	Dikena Jackson

### **Risk**

- 1.2.1.4 Fixed Assets Register may be misstated (Over/understated).
- 1.2.1.5 Assets may be damaged or impaired but their values are still on the books.
- 1.2.1.6 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.2.1.7 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.
- 1.2.1.8 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of entity's objectives.
- 1.2.1.9 Assets not coded may be susceptible to theft or diverted to personal use.

### **Recommendation**

- 1.2.1.10 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.
- 1.2.1.11 Management should ensure that the fixed assets register is updated to reflect the following: description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.2.1.12 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.

- 1.2.1.13 Management should ensure that unutilized and unassigned fixed assets that are in good condition are turned over to the relevant institutions (MOH & NPHIL) for immediate assignment. Evidence of turn over should be adequately documented and filed to facilitate future review.
- 1.2.1.14 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.
- 1.2.1.15 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Regulations.
- 1.2.1.16 The 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**

- 1.2.1.17 *Management acknowledges the recommendation and corrective measures will be taken. Currently, the MOH and NPHIL have developed a fixed asset management policy to regulate fixed assets activities of the IMS which has been reviewed and pending subsequent approval by the relevant authorities. As recommended all unutilized and unassigned fixed assets that are in good condition will be turned over to the relevant institutions (MOH & NPHIL) for immediate assignment. Evidence of turnover will be adequately documented and filed to facilitate future review.*

#### **Auditor General's Position**

- 1.2.1.18 We acknowledge Management's acceptance of our findings and recommendations. However, the updated IMS Fixed Asset Register does not include Fixed Assets in the possession of the Executive Committee on Coronavirus (ECOC) in Liberia. Management should ensure that all assets belonging to the IMS COVID-19 Response are brought into the consolidated Fixed Asset Register.
- 1.2.1.19 Additionally, Management should facilitate the immediate transfer of unutilized and unassigned fixed assets that are in good condition to the relevant institutions (MOH & NPHIL) for assignment within thirty days after the issuance of the Auditor General's Report. Evidence of turn over should be submitted to the Office of the Auditor General for validation and adequately documented and filed to facilitate future review.
- 1.2.1.20 We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.2.2 Procurement without Delivery Notes

### Criteria

- 1.2.2.1 Regulation P.9 (2) of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 2019 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."

### Observation

- 1.2.2.2 During the audit, we observed that Management authorized a payment of US\$4,000.00 for fuel without evidence of delivery note to validate the authenticity of the transaction and receipt of goods. **See Table 6 for details.**

**Table 4- Procurement without Delivery Note**

No	Date	Voucher Num	Description	Amount
1	2/6/2023	COVID-0011	Payment to Super Petroleum Company for fuel/vehicles.	4,000.00
<b>Total</b>				<b>4,000.00</b>

### Risk

- 1.2.2.3 In the absence of delivery notes, payments may be made for goods not received or the approved quantity and specifications of goods may not be received.
- 1.2.2.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of public funds.
- 1.2.2.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.2.2.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.
- 1.2.2.7 Management may be non-compliant with Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019.

### Recommendation

- 1.2.2.8 Management should ensure that delivery notes are received for all goods procured to validate that goods paid for including the required specifications were delivered to the end user. (The delivery note should be uniquely coded to reflect the specific transactions).
- 1.2.2.9 Delivery orders should be signed by the vendors, the procurement officer, storeroom officer and an internal auditor/assurance officer.

- 1.2.2.10 Evidence of delivery notes for all goods received should be adequately documented and filed to facilitate future review.

**Management Response**

- 1.2.2.11 *Management acknowledges the recommendations and has a copy of the delivery note for the transactions listed. Management attaches a copy for review.*

**Auditor General's Position**

- 1.2.2.12 We acknowledge Management's assertion and subsequent submission of the delivery note after our audit execution. However, Management submission of documents after our review does not guarantee Management's effective control of document management and expenditure liquidation.
- 1.2.2.13 Going forward, Management should ensure that all goods received are duly accompanied by the relevant supporting documents including delivery notes. Also, Management should ensure information requested for audit purposes are submitted in a timely manner for review. Further, Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transactions(in accounting software for financial transactions), archived and maintained to facilitate future review.

**1.3 Administrative Issues**

**1.3.1 Risk Assessment Process**

**Criteria**

- 1.3.1.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

**Observation**

- 1.3.1.2 During the audit, we observed no evidence that Management had developed a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.

**Risk**

- 1.3.1.3 The absence of a risk management policy may lead to management not being aware of potential risks that may impair the achievement of the entity's objectives.

- 1.3.1.4 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby impairing the achievement of the entity's objectives.

**Recommendation**

- 1.3.1.5 Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.
- 1.3.1.6 Evidence of periodic risk assessment should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.1.7 *Recommendation acknowledged and corrective actions will be taken. The IMS compliance team has developed a Risk Management Policy to guide internal and external risks and serve as working tools for risk assessment. The document is with the policymakers for review and subsequent approval. Management will be pleased to share a draft of the risk policy.*

**Auditor General's Position**

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

**1.3.2 No Internal Audit Report**

**Criteria**

- 1.3.2.1 Regulation J3 of the PFM Act of 2009 requires that the Internal audit units shall carry out internal audit of its institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 2019.

**Observation**

- 1.3.2.2 During the audit, we observed no evidence of internal audit reports on the activities of the Incident Management System (IMS) COVID-19 Response.

**Risk**

- 1.3.2.3 Systems, controls and compliance activities may not be monitored and addressed, thereby impairing the achievement of the institution's objectives.

**Recommendation**

- 1.3.2.4 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of audits and issuance of reports.
- 1.3.2.5 Periodic Internal Audit Reports should be adequately documented and filed to facilitate future review.

**Management Response**

- 1.3.2.6 *Management acknowledges the recommendation and will ensure full compliance.*

**Auditor General's Position**

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



## ANNEXURES

### ANNEXURE 1 Assets in possession of the ECOC and not in the IMS Fixed Asset Register

EXECUTIVE COMMITTEE ON CORONAVIRUS IN LIBERIA  
FIXED ASSET INVENTORY - GENERAL SERVICES AGENCY - MAY 2020

NATIONAL COORDINATOR OFFICE

NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
1	COVID-19/MS/P/297/001	HP Laserjet Printerr	Color Laserjet pro MFP-M477fdw	HP	N/A	M477FDW	N/A	N/A	Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good
2	COVID-19/MS/MLT/297/002	Dell Laptop	Inspiron 11	DELL	CN-0907RF-WSC00-976	N/A	N/A	N/A	Eunice Gardner	National Coordinator Office	Hon. Mary T. Broh	Good
3	COVID-19/MS/MLCD/297/001				00CN	N/A	N/A	N/A	Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good

SUPPORT STAFF OFFICE

NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
4	COVID-19/MS/SEC/420/001	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
5	COVID-19/MS/SEC/420/002	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
6	COVID-19/MS/SEC/420/003	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
7	COVID-19/MS/SEC/420/004	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
8	COVID-19/MS/SEC/420/005	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
9	COVID-19/MS/SEC/420/006	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
10	COVID-19/MS/SEC/420/007	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
11	COVID-19/MS/SEC/420/008	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
12	COVID-19/MS/SEC/420/009	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
13	COVID-19/MS/SEC/420/010	Semi Executive Chair	Semi Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
14	COVID-19/MS/SEC/420/011	Executive Chair	Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
15	COVID-19/MS/SEC/420/012	Executive Chair	Executive	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
16	COVID-19/MS/CT/420/001	Conference Table	Conference	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
17	COVID-19/MS/CT/420/002	Conference Table	Conference	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
18	COVID-19/MS/WB/420/001	White board	White	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
19	COVID-19/MS/WB/420/002	White board	White	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
20	COVID-19/MS/FB/420/001	Flip Chart board	Flip	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
21	COVID-19/MS/FB/420/002	Flip Chart board	Flip	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office	BEA Mountain	Good
22	COVID-19/MS/P/297/002	HP laserjet Printer	Color laserjet pro MFP-M477fdw	HP	N/A	M477FDW	N/A	N/A	Support Staff	National Response Support Staff office		Good
23	COVID-19/MS/WS/420/001	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A	Support Staff	National Response Support Staff office		Good

COMPLIANCE OFFICE

NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
24	COVID-19/MS/WS/420/002	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
25	COVID-19/MS/WS/420/003	Workstation	Double seated	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
26	COVID-19/MS/WS/420/004	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
27	COVID-19/MS/WS/420/005	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
28	COVID-19/MS/WS/420/006	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
29	COVID-19/MS/WS/420/007	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
30	COVID-19/MS/AC/031/001	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Compliance Officer Office	CQVID	Good
31	COVID-19/MS/AC/031/002	Air Conditioner	Split Unit	MIDEA	6427164570591230810	MSMA-18CR	N/A	18,000		Compliance Officer Office	CQVID	Good
32	COVID-19/MS/AC/031/003	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Hallway	CQVID	Good
33	COVID-19/MS/WS/420/008	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway		Good
34	COVID-19/MS/WS/420/009	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway		Good



Draft Management Letter on the Financial Statements  
Audit of the Incident Management System (IMS) Covid-19 Response  
for the Period January 1, to November 30, 2023

EXECUTIVE COMMITTEE ON CORONAVIRUS IN LIBERIA  
FIXED ASSET INVENTORY - GENERAL SERVICES AGENCY - MAY 2020

NATIONAL COORDINATOR OFFICE												
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
1	COVID-19/IMS/P/297/001	HP Laserjet Printerr	Color Laserjet pro MFP-M477fdw	HP	N/A	M477FDW	N/A	N/A	Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good
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3	COVID-19/IMS/MLCD/297/001								Mary T. Broh	National Coordinator Office	Hon. Mary T. Broh	Good
SUPPORT STAFF OFFICE												
NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
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NO	ASSET CODE	ASSET NAME	ASSET TYPE	PRODUCT NAME	SERIAL #	MODEL #	YEAR	BTU	PERSON NAME	LOCATION	SUPPLIER	CONDITION
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26	COVID-19/IMS/WS/420/004	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
27	COVID-19/IMS/WS/420/005	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Compliance Officer Office	BEA Mountain	Good
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30	COVID-19/IMS/AC/031/001	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Compliance Officer Office	COVID	Good
31	COVID-19/IMS/AC/031/002	Air Conditioner	Split Unit	MIDEA	012	MSMA-18CR	N/A	18,000		Compliance Officer Office	COVID	Good
32	COVID-19/IMS/AC/031/003	Air Conditioner	Split Unit	HISENSE	N/A	AS18TG1	N/A	18,000		Hallway	COVID	Good
33	COVID-19/IMS/WS/420/008	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway	COVID	Good
34	COVID-19/IMS/WS/420/009	Workstation	Single	N/A	N/A	N/A	N/A	N/A		Hallway	COVID	Good

AB



## **ANNEXURE 2 Unutilized and Unassigned Fixed Assets**



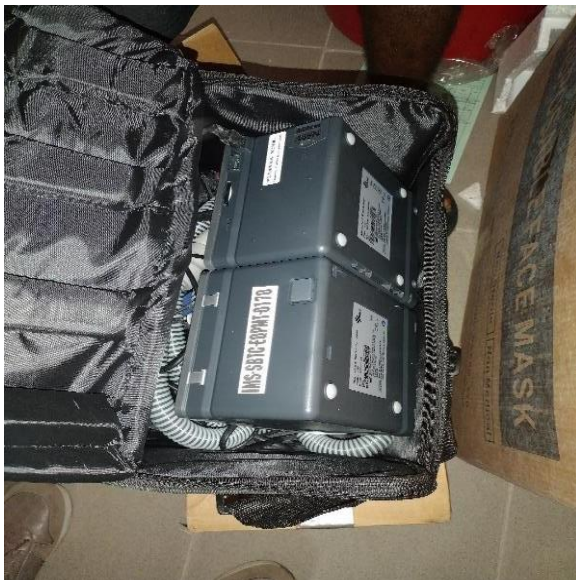


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