Management Letter

On the Health System Strengthening Project (HSSP)/Additional Financing (AF)

For the period July 1, 2018 to June 30, 2019

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

Monrovia, Liberia
December 2019
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Health System Strengthening Project (HSSP)/Additional Financing (AF)
For the fiscal period ended June 30, 2019

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<th>Meaning</th>
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<tr>
<td>AF</td>
<td>Additional Financing</td>
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<td>AFP</td>
<td>Audit Focal Person</td>
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<td>AG</td>
<td>Auditor General</td>
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<tr>
<td>CBO</td>
<td>Community Based Organizations</td>
</tr>
<tr>
<td>CGMA</td>
<td>Certified Global Management Accountant</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>DMA</td>
<td>Deputy Minister for Administration</td>
</tr>
<tr>
<td>DMHS</td>
<td>Deputy Minister for Health Services</td>
</tr>
<tr>
<td>Dr.</td>
<td>Doctor</td>
</tr>
<tr>
<td>DSA</td>
<td>Daily Substance Allowance</td>
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<td>EOC</td>
<td>Emergency Operation Center</td>
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<td>EVD</td>
<td>Ebola’s Virus Disease</td>
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<td>F/S</td>
<td>Financial Statements</td>
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<td>GoL</td>
<td>Government of Liberia</td>
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<td>HSSP</td>
<td>Health Systems Strengthening Project</td>
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<td>IFR</td>
<td>Interim Financial Reports</td>
</tr>
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<td>INTOSAI</td>
<td>International Organization of Supreme Audit Institutions</td>
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<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
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<td>ISSAI</td>
<td>International Standards of Supreme Audit Institutions</td>
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<tr>
<td>LMDC</td>
<td>Liberia Medical and Dental Council</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>No.</td>
<td>Number</td>
</tr>
<tr>
<td>OFM</td>
<td>Office of Financial Management</td>
</tr>
<tr>
<td>PBF</td>
<td>Performance Based Financing</td>
</tr>
<tr>
<td>PCO</td>
<td>Project Coordination Office</td>
</tr>
<tr>
<td>PTC</td>
<td>Project Technical Committee</td>
</tr>
<tr>
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<td>Public Financial Management</td>
</tr>
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<td>PIM</td>
<td>Project Implementation Manual</td>
</tr>
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<td>Public Procurement &amp; Concessions</td>
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<tr>
<td>QPR</td>
<td>Quarterly Progress Report</td>
</tr>
<tr>
<td>RL</td>
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<td>SOE</td>
<td>Statement of Expenditures</td>
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</tr>
<tr>
<td>ToR</td>
<td>Term of Reference</td>
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<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>USD/US$</td>
<td>United States Dollars</td>
</tr>
</tbody>
</table>
December 27, 2019

Dr. Wilhelmina Jallah
Minister
Ministry of Health
Congo Town
Republic of Liberia

Dear Dr. Jallah:

Re: Management Letter on the Financial Statement Audit of the Health System Strengthening Project (HSSP)/Additional Financing (AF) of the Ministry of Health for the fiscal Period ended June 30, 2019

The financial statements of the Health System Strengthening Project (HSSP)/Additional Financing (AF) of the Ministry of Health for the fiscal period ended June 30, 2019 are subject to audit by the Auditor-General (AG) consistent with the Auditor General’s statutory mandate as provided for under Section 2.1.3 of the General Auditing Commission Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

INTRODUCTION
The audit of the HSSP/AF for the fiscal period ended June 30, 2019 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 about, 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.

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

Appreciation
We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Health System Strengthening Project (HSSP) during the audit.

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

Monrovia, Liberia
December 2019
1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Internal Audit Unit (Jackson F. Doe Hospital)

Observation

1.1.1.1 Regulation J.3 (1) of the PFM Regulations states that “there shall be established in each government agency or institution an Internal Audit Unit which shall constitute a part of that institution.”

1.1.1.2 The Jackson F. Doe Hospital Management could not provide evidence that an Internal Audit unit was established during the period under review to provide assurance on the effectiveness and efficiency of the institution risk management processes as relate to the implementation of the PBF implementation.

Risk

1.1.1.3 The effectiveness of internal controls will be in doubt in the absence of an internal audit function at the hospital.

Recommendation

1.1.1.4 The Management of the Jackson F. Doe Hospital should put in place an Internal Audit Unit function at the hospital.

Management Response

1.1.1.5 The MOH Management acknowledges your findings. The truth is that Jackson F. Doe Hospital originally had a staff performing internal audit functions. Sometimes later, the staff was elevated to another position, thereby creating a vacancy for the internal auditor’s position. No recruitment was done later to fill the position, owing to the fact that no budgetary allocation was approved by the Central Government.

1.1.1.6 As direct supervisor for the J.F. Doe Memorial Hospital, the MOH will ensure that the Internal Auditor’s position is filled in the future. In the absence of substantive internal audit staff at the hospital to review routine transactions as they are incurred, the MOH has been authorizing its Internal Audit Unit which is supervised by the Internal Audit Agency (IAA) to carry out quarterly review of transactions and processes financed under the HSSP. Additionally, the Ministry’s compliance Unit will also be encouraged to follow up on the implementation of audit recommendations at the hospital which are associated with the project with the intent of improving the quality of health services at the hospital.

Auditor General’s Position

1.1.1.7 We acknowledge Management’s acceptance of our audit finding. However, we will make a follow up on the implementation of our audit recommendation during subsequent audit.
1.1.2 MOU between the MoH & Liberia Post Graduate Medical College (LPGMC) under the HSSP

Observation

1.1.2.1 Section 35 of the Health System Strengthening Project, Appraisal Document states "Importantly, the GOL (through the Post Graduate Medical Council) will co-finance the residency program in incremental yearly amounts. This will gradually move the responsibility for funding faculty, accommodation (for faculty and residents), and operating costs to the PGMC. This is discussed further in Annex 2. The PGMC is funded directly by the MoF. Under the terms of an (internal) MOU between the MoHSW (HSSP Coordination Office) and the PGMC, the yearly and incremental Council contributions will be kept by the MoHSW in an escrow account, and used according to defined criteria”.

1.1.2.2 Additionally, Section 55 through 57 indicates that the PGMC is responsible for tasks such as, developing the residency and in-service training curricula and standards, identifying critical needs to scale up equipment and supplies to accommodate the residency program, coordinating the recruitment of faculty, arranging accommodation of faculty and residents, administering entrance examinations, and placing and guiding residents through their rotation. The PGMC will work closely with the HSSP Coordination Office on all relevant issues related to the development and implementation of the GMRP.

1.1.2.3 During the audit, we observed that the Management of the Project Implementation Unit at the MOH expended a total of US$333,080 on the Liberia Post Graduate Medical College (LPGMC) without evidence to indicate that a MOU was signed between the above institutions and the MOH under the HSSP.

Risk

1.1.2.4 Activities which are being financed under the project could be conducted on a discretionary basis in the absence of a formal agreement between the Liberia Post Graduate Medical College (LPGMC) and the MOH.

Recommendation

1.1.2.5 The Management of the HSSP should provide reason why a formal agreement was not done in order to guide the implementation of the project activities being carried out by Liberia Post Graduate Medical College and MOH.

Management Response

1.1.2.6 The MOH Management acknowledges your findings. However, we want to clarify that as part of the negotiation for the additional funding under the HSSP Additional Financing (HSSP-AF), it was agreed to drop the co-financing provision in the original agreement since the GOL was not forthcoming in fulfilling its obligation under the co-financing covenant of the project. This was done as such.
1.1.2.7 Regarding the MOU, there have been many reminders and discussions on the subject which has been further documented in immediate past Bank’s aide memoires. Some effort has been made despite technical challenges, and that there is now an assurance that the MOU will be signed during the current fiscal year.

1.1.2.8 LCPS, as an entity, does not receive direct funding for implementation. The entity serves as the technical arm for the implementation while the MOH through its PIU serves as the hub for processing transactions and playing the liaison role between the WB and the MOH.

**Auditor General’s Position**

1.1.3 We acknowledge Management’s acceptance of our audit finding. However, we will make a follow up on the implementation of our audit recommendation during subsequent audit.

1.1.4 PBF Incentive Payments

**Observation**

1.1.4.1 Article seven(7) of the PBF Contract Agreement requires that the Office of Financial Management (OFM) make payments of PBF Incentives to Hospitals no later than 6 weeks after the end of each quarter. Performance payment should be deposited directly to the Hospital designated account.

1.1.4.2 During the conduct of the audit, we observed that the Management of the HSSP under the Ministry of Health delayed the payments of the Performance Based Financing Incentives to hospitals for the effective implementation of the program during the period under audit.

**Risk**

1.1.4.3 Delay in the payment of the PBF Incentives to hospitals may lead to the non-achievement of the project’s objectives.

**Recommendation**

1.1.4.4 The Management of the HSSP should provide justification why the payments of the PBF Incentives to health facilities were delayed during the period under audit.

**Management Response**

1.1.4.5 The MOH Management acknowledges the audit findings. Delay in the payment of PBF incentives during the previous fiscal year was principally due to challenges experienced in having Withdrawal Applications (WAs) signed by authorized signers in the WB system, and the bad weather conditions that affected verification by the Nation Verification Agency. The signing of the WAs serves as a means to transfer funds to the project operation account from which payments would then be made to the hospitals and county health teams for amounts earned during each quarter of implementation. Some
improvements have been made but more needs to be done, especially given that the project expires in five months’ time, May 2020.

Auditor General’s Position

1.1.4.6 We acknowledge Management’s acceptance of our audit finding. However, we will make a follow up on the implementation of our audit recommendation during subsequent audit.

1.1.5 Procurement Process

Observation

1.1.5.1 The World Bank Procurement guidelines required the following on Shopping Process (RFQ):

1.1.5.2 The implementing agency should issue Request for Quotation (RFQ) to at most 6 six reputable suppliers. The RFQ should include specifications of items needed and the latest time delivery should be made.

1.1.5.3 On receipt of quotations, evaluation of suppliers’ quotes is done by a committee comprising of, at least, three persons including one person from the section which raised the purchase requisition, and the Procurement Officer. An Evaluation Report is issued recommending the most responsive bidder and the reasons in clear terms for the selection.

1.1.5.4 The Evaluation Report is approved by the Project / Program Manager / Coordinator and an LPO is issued to the successful bidder by the Procurement Officer. The approved LPO shall be attached to the payment request to make payment to the selected bidder.

1.1.5.5 During the conduct of the audit, it was observed that the Management of the HSSP made a payment in the amount of US$9,405 was paid to Golden Gate (Liberia) Inc. on March 20, 2019 for catering services without evidence of three (3) quotations and evaluation report on comparison of quotations.

Risk

1.1.5.6 Failure to adhere to the use of the required method of procurement is a breach of the World Bank Procurement Guidelines and could lead to non-achievement of value for money.

Recommendation

1.1.5.7 The Management of HSSP should provide justification for not adhering to the World Bank Procurement Guidelines.
Management Response

1.1.5.8 The MOH Management acknowledges the audit findings. Regarding the US$9,405 payment to Golden Gate, the WB was having working sessions to engage stakeholders and obtain their views and consent for a new proposed pipeline project. The Bank’s team had previously utilized Golden Gate on different occasion and found it to be suitable for hosting the working sessions. On short notice, we had to request the management of Golden Gate to provide services for the MOH/PIU in this regard. Please see attached email exchanges.

Auditor General’s Position

1.1.5.9 We acknowledge Management’s acceptance of our audit finding. Going forward, the project management should ensure that procurement is carried out in line with the World Bank Procurement guidelines required relates to Shopping Process.

1.1.6 Internal Audit Unit (Sinoe County)

Observation

1.1.6.1 Regulation J.3 (1) of the PFM Regulations states that “there shall be established in each government agency or institution an Internal Audit Unit which shall constitute a part of that institution.”

1.1.6.2 The Sinoe County Health Management could not provide evidence that an Internal Audit Unit was established during the period under review to provide assurance on the effectiveness and efficiency of the institution risk management processes.

Risk

1.1.6.3 The non-existence of internal auditor at the Sinoe County Health Team could create drawback to the institution’s attainment of its risk management.

Recommendation

1.1.6.4 The Management of the Sinoe County Health Team should put in place an Internal Audit Unit within the entity and employ at least one (1) qualified Internal Auditor to carry out the internal audit function.

Management Response

1.1.6.5 The MOH Management acknowledges the audit financings. The MOH will mandate the Sinoe CHT to allow a Compliance Officer to be deployed on the team to play the role of internal auditor on an ad hoc basis. The Ministry’s internal audit unit will continue to make regular visit quarterly to review transactions and business processes.

Auditor General’s Position

1.1.6.6 We acknowledge Management’s acceptance of our audit finding. However, the project management should ensure the recruitment of an Internal Auditor to carry out the internal audit function at the level of the institution.
1.1.7 Segregation of duties

Observation

1.1.7.1 COSO Internal Control Framework on Internal Control requires that organizations put in place control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorization, verifications, reconciliations, and reviews of operating performance, security of assets and segregation of duties.

1.1.7.2 During the conduct of the audit, we observed that the Junior Accountant of the Sinoe County Health Team prepared two checks in his name for the execution of some project activities. Additionally, there was no evidence to show that the fencing of Health facilities were carried out. See table 1 below for details

Table 1: Payments to Junior Accountant

<table>
<thead>
<tr>
<th>#</th>
<th>Voucher #</th>
<th>Payee</th>
<th>Description</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>73796</td>
<td>Archie J. Paye, Junior Accountant</td>
<td>Payments for fencing of Sinoe County Health facilities</td>
<td>3,000</td>
</tr>
<tr>
<td>2</td>
<td>73797</td>
<td>Archie J. Paye, Junior Accountant</td>
<td>Payments made for the conduct of PBF training.</td>
<td>12,340</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>15,430</strong></td>
</tr>
</tbody>
</table>

Risk

1.1.7.3 Lack of segregation of duties could lead over ride of internal controls of the project..

Recommendation

1.1.7.4 The CHT should ensure that the necessary segregation of duties is instituted at the county level.

Management Response

1.1.7.5 The MOH Management acknowledges the audit findings. Segregation of duties is of primary concern in achieving internal control objectives. There have been some challenges in have relevant staff in the county as required. Because of the absent of the senior accountant, the junior account, Archie J. Paye, was the only accountant present in the country which compelled him to perform several responsibilities. Eventually, he has been promoted to the senior accountant and a new junior accountant has been assigned. This will help mitigate for some of the control breaches that were noted during the audit.

Auditor General’s Response

1.1.7.6 We acknowledge Management’s acceptance of our audit finding. However, the CHT of Sinoe should ensure that segregation of duties is instituted at the county level in processing and finalizing financial transactions to avoid misappropriation or misapplication of the project’s fund.
Management letter on the Financial Statement Audit of the Health System Strengthening Project (HSSP)/Additional Financing (AF) For the fiscal period ended June 30, 2019

1.1.8  Procurement

Observation

1.1.8.1  Section 4.11.4 of the MOH Financial Procedure Manual requires MOH will ensure that all qualifying requests for funds are backed up by relevant documents and are in line with the annual work plan.

1.1.8.2  During the conduct of the audit, we observed that a payment in the amount of US$5,655 was made on voucher number 73793 in favor of Young Liberia Contraction Company for the delivery of shovels and benches for PDF facilities without evidence of delivery notes, local purchase order and three quotations.

Risk

1.1.8.3  Failure to adhere to the use of the required method of procurement is a breach of the project financial procedures manual and could lead to non-achievement of value for money.

Recommendation

1.1.8.4  The Management of the Sinoe should provide justification for not adhering to the financial procedures manual regarding the procurement method used.

Management Response

1.1.8.5  The MOH Management acknowledges the audit findings. However, it is established that there is only one key carpentry shop in Greenville, Sinoe County that showed to have the capacity to provide the goods and is fully registered by law. The MOH Management has requested that the Sinoe CHT, going forward, ensures RFQ is issued to at least three vendors regardless of whether or not they have legal status and capacity.

Auditor General’s Response

1.1.8.6  The Management of the Sinoe County Health Team should ensure that the MoH Financial Procedures Manual is unconditionally adhered to in executing financial transactions.

1.1.9  Over payment of DSA

Observation

1.1.9.1  Section 15 of the GOL Domestic Travel Ordinance for the period under audit, requires that all official of public Corporations and parastatal organization shall obtain the approval of the head of organization for the domestic travel of its employees. All other conditions including the per diem rates as contained herein shall also be applicable.

1.1.9.2  During the conduct of the audit, it was observed that the Management of the HSSP authorized several payments in excess of the DSA Rate as enshrined in the GOL Domestic Travel Ordinance for the period under audit. The total excess amount isUS$2,640. See table 2 below
Table 2: Over payments of Domestic Travel Allowances

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Payee</th>
<th>Amount Received US$</th>
<th>No. of Days</th>
<th>Required Amount US$</th>
<th>Variance</th>
<th>Rate Used Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1/8/2019</td>
<td>Chea S. Wesseh</td>
<td>800.00</td>
<td>10</td>
<td>500.00</td>
<td>300.00</td>
<td>80</td>
</tr>
<tr>
<td>11</td>
<td>1/8/2019</td>
<td>Esther G. Thomas</td>
<td>640.00</td>
<td>8</td>
<td>400.00</td>
<td>240.00</td>
<td>80</td>
</tr>
<tr>
<td>12</td>
<td>11/21/2018</td>
<td>Diana T. Sarteh</td>
<td>560.00</td>
<td>7</td>
<td>350.00</td>
<td>210.00</td>
<td>80</td>
</tr>
<tr>
<td>13</td>
<td>8/29/2018</td>
<td>Gabriel Jackson</td>
<td>720.00</td>
<td>9</td>
<td>450.00</td>
<td>270.00</td>
<td>80</td>
</tr>
<tr>
<td>14</td>
<td>1/7/2019</td>
<td>James M. Beyan</td>
<td>560.00</td>
<td>7</td>
<td>350.00</td>
<td>210.00</td>
<td>80</td>
</tr>
<tr>
<td>16</td>
<td>11/3/2019</td>
<td>Jeremiah Wolobah</td>
<td>720.00</td>
<td>12</td>
<td>450.00</td>
<td>270.00</td>
<td>60</td>
</tr>
<tr>
<td>17</td>
<td>11/3/2019</td>
<td>Derry S. Duokie</td>
<td>720.00</td>
<td>12</td>
<td>450.00</td>
<td>270.00</td>
<td>60</td>
</tr>
<tr>
<td>18</td>
<td>3/11/2019</td>
<td>John Kallon</td>
<td>720.00</td>
<td>12</td>
<td>450.00</td>
<td>270.00</td>
<td>60</td>
</tr>
<tr>
<td>19</td>
<td>3/8/2019</td>
<td>Daniel Farmah</td>
<td>600.00</td>
<td>10</td>
<td>375.00</td>
<td>225.00</td>
<td>60</td>
</tr>
<tr>
<td>23</td>
<td>3/12/2018</td>
<td>George N. Nebo</td>
<td>500.00</td>
<td>10</td>
<td>312.50</td>
<td>187.50</td>
<td>50</td>
</tr>
<tr>
<td>24</td>
<td>3/12/2018</td>
<td>Lester Toe</td>
<td>500.00</td>
<td>10</td>
<td>312.50</td>
<td>187.50</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>7,040</td>
<td>4,400</td>
<td>2,640</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Risk**

1.1.9.3 Non adherence to the regulatory framework on domestic travel could lead to misapplication of the project’s resources..

**Recommendation**

1.1.9.4 The Management of the HSSP should provide justification for not complying with the requirements of the Travel ordinance on domestic travels.

**Management Response**

1.1.9.5 The MOH Management acknowledges the audit findings. The issue of DSA has been a trending issue from the previous year’s audit of the projects within the portfolio, the HSSP being of no exception.

1.1.9.6 In our understanding from the 2016 Ordinance on Domestic Travel, the equivalent USD rates established at that time are the same amounts being used today, which make beneficiaries of DSA under the HSSP project and other projects within the portfolio to be indifferent.

1.1.9.7 As we are all aware, there hasn’t been any change in the rates regarding the Domestic Travel Ordinance since then. This means that no consideration has been made for inflation though it is visible the level of inflation so far.
1.1.9.8 If there is an insistence on the use of the current LD rates despite its depreciated value in relation to LD rates in 2016 to determine domestic travel allowances, there would be reputational and implementation risks occurring. The reason is that the amount now will be far less than that in 2016. Additionally, it has become necessary to use the USD equivalent of LD rate in 2016 since the project funds are in USD.

**Auditor General’s Response**

1.1.9.1 In connection with the current DSA Rate, the Project Management should engage the Ministry of Finance and Development Planning to ensure that the GoL Travel Ordinances are amended to reflect reality.

1.1.10 **Project Vehicles**

**Observation**

1.1.10.1 Part V. V.1 (2) of the PFM Regulations of 2009 states “The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that: (a) Preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; and (b) inventory levels are at an optimum and economical level”.

1.1.10.2 During the assets verification of the project vehicles, it was observed that several of the project vehicles assigned at various health centers were reported damaged. See pectoral view below

**GAC Photo I : JJ Dossen Hospital**
Management letter on the Financial Statement Audit of the Health System Strengthening Project (HSSP)/Additional Financing (AF) For the fiscal period ended June 30, 2019

Risk
1.1.10.3 Failure to repair the vehicles could undermine service delivery and lead to the non-achievement of the project’s objectives.

Recommendation
1.1.10.4 The Management of the HSSP should repair or dispose of the above vehicles in line with GSA Guideline.

Management Response
1.1.10.5 The MOH Management acknowledges the audit findings. The MOH along with the PIU has taken steps in this direction by supporting assessment carried out by the Transport...
Division of the Ministry. The Assessment report is being finalized and that all vehicles purchased through WB funding will be sorted out and current statuses determined. Thereafter, the PIU will communicate with the WB and request that vehicles no longer in workable condition be disposed of. Following the no objection or approval by the WB, the MOH will then communicate with the GSA for actions that will be required.

Auditor General’s Position

1.1.10.6 Going forward, the Management of the HSSP should contact the GSA to conduct an assessment on the status of the project’s vehicles.

<table>
<thead>
<tr>
<th>No</th>
<th>Sources of Findings(Prior Audit Reports)</th>
<th>Prior Audit Recommendations not implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Payment of US$ 6,034.00 for Vendors made in the name of hospital staff rather than vendors</td>
<td>The Management of the F.J Grant Hospital should ensure that all payments for goods, services, and works be made in the vendor(s) names before final approval of payment.</td>
</tr>
<tr>
<td>2</td>
<td>No evidence of supporting documents for the payment vouchers in the amounts of US$6,110.20</td>
<td>The Management of the F.J Grant Hospital should ensure that the Financial Officer provides liquidation reports and supporting documents to account for the amount of US$6,110.20</td>
</tr>
<tr>
<td>3</td>
<td>Payments totaling US$4,187.00 without evidence of goods received notes/delivery note</td>
<td>Management of the hospital should ensure that all payments for goods and services be supported with goods received notes to authenticate payments.</td>
</tr>
<tr>
<td>4</td>
<td>No evidence of fuel consumption/distribution log at the hospital</td>
<td>Management of the F.J. Grant Hospital should adopt the used of fuel consumption log.</td>
</tr>
<tr>
<td>5</td>
<td>No evidence of monthly bank reconciliation report on file for the period January to December 2018</td>
<td>That the management of F.J. Grant Hospital should ensure that the Administrator provides regular supervision on the financial Reports prepared by the Financial Officer</td>
</tr>
<tr>
<td>6</td>
<td>Fixed Assets of the F.J. Grant Hospital were not coded and the assets register was not updated</td>
<td>The Management of F.J. Grant Hospital should hire an Asset Accountant to maintain the assets register and ensure that the fixed assets listing or register is updated on a regular basis.</td>
</tr>
</tbody>
</table>
## PHEBE HOSPITAL

### PRIOR AUDIT RECOMMENDATION AT PHEBE HOSPITAL UNDER THE HSSP PBF PROGRAM

<table>
<thead>
<tr>
<th>No</th>
<th>Sources of Findings (Prior Audit Reports)</th>
<th>Prior Audit Recommendations not implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fixed Assets not coded and assets register was not updated</td>
<td>The Management of Phebe Hospital should ensure that the fixed assets are coded and the register be updated regularly</td>
</tr>
<tr>
<td>2</td>
<td>The Management of the hospital did not have a fuel consumption or distribution log for vehicles and generators.</td>
<td>The Management of the Hospital should adopt the use of fuel consumption /distribution log.</td>
</tr>
</tbody>
</table>