



## MEMORANDUM

**DATE:** December 9, 2019

**TO:** USAID/Liberia, Mission Director, Sara Walter

**FROM:** USAID OIG Africa Regional Office, Audit Director, Robert Mason /s/

**SUBJECT:** Financial Closeout Audit of USAID Resources Managed by Ministry of Health in Liberia Under Multiple Awards, March 1, 2010, to October 21, 2011 (Report No. 4-669-20-002-N)

This memorandum transmits the final audit report on USAID resources managed by Ministry of Health in Liberia (MOH) under the following awards.

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Supplementary Budget Support to Public Sector Health Salaries of the Government of Liberia (grant agreement)	669-IL-A11-10-001	March 1, 2010 - June 30, 2011	
Funding for Key Technical Positions for the Ministry of health and Social Welfare (grant agreement)	669-IL-A11-10-003	March 1, 2010 - October 31, 2011	

Liberia's supreme audit institution, General Auditing Commission, Monrovia, Liberia, conducted the audit under its memorandum of understanding with USAID/Liberia. The supreme audit institution states that it performed its audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). The supreme audit institution is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on MOH's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

<sup>1</sup> We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate MOH's internal controls; and (3) determine whether MOH complied with award terms and applicable laws and regulations.

To answer the audit objectives, the General Auditing Commission (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by MOH as incurred from March 1, 2010, to October 21, 2011. MOH reported expenditures of \$2,553,781 in USAID funds during the audited period.

The audit firm issued a disclaimer of opinion on the fund accountability statement, primarily due to not obtaining sufficient appropriate audit evidence. The basis of disclaimer noted total costs incurred could not be verified as the bank statements and the excel workbook did not correlate, thus \$2,299,597 in total salaries paid under award 669-IL-A11-10-001 and \$233,440 in total salaries incurred under award 669-IL-A11-10-003 are questioned as unsupported.

During our desk review, we noted several issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated December 9, 2019.

To address the issues identified in the report, we recommend that USAID/Liberia:

**Recommendation 1.** Determine the allowability of \$2,321,354 in unsupported questioned costs on page 4 of the audit report and recover any amount that is unallowable.

**Recommendation 2.** Determine the allowability of the remaining \$232,427<sup>i</sup> in costs based upon General Auditing Commission's disclaimer of opinion and recover from Ministry of Health Liberia any amounts determined to be unallowable.

We ask that you provide your written notification of actions planned or taken to reach management decision. We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").

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<sup>i</sup> 2,553,781-2,321,354=232,427