Management Letter

Ebola Emergency Response Project (EERP)

For the Period July 1, 2016 to June 30, 2017

Promoting Accountability of Public Resources

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

Monrovia, Liberia
December 2017
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<td>AFP</td>
<td>Audit Focal Person</td>
</tr>
<tr>
<td>AG</td>
<td>Auditor General</td>
</tr>
<tr>
<td>APA</td>
<td>Assistant Project Accountant</td>
</tr>
<tr>
<td>CCC</td>
<td>Community Care Center</td>
</tr>
<tr>
<td>CARI</td>
<td>Central Agricultural Research Institute</td>
</tr>
<tr>
<td>CGMA</td>
<td>Chartered Global Management Accountant</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>CRT</td>
<td>County Response Team</td>
</tr>
<tr>
<td>EERP</td>
<td>Ebola Emergency Response Project</td>
</tr>
<tr>
<td>ETU</td>
<td>Ebola Treatment Unit</td>
</tr>
<tr>
<td>EVD</td>
<td>Ebola Virus Disease</td>
</tr>
<tr>
<td>FS</td>
<td>Financial Statements</td>
</tr>
<tr>
<td>GAC</td>
<td>General Auditing Commission</td>
</tr>
<tr>
<td>GoL</td>
<td>Government of Liberia</td>
</tr>
<tr>
<td>HSSP</td>
<td>Health System Strengthening Project</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction And Development</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IMS</td>
<td>Incident Management System</td>
</tr>
<tr>
<td>INTOSAI</td>
<td>International Organization of Supreme Audit Institutions</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>ISSAI</td>
<td>International Standards of Supreme Audit Institutions</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>PFMU</td>
<td>Project Financial Management Unit</td>
</tr>
<tr>
<td>PIM</td>
<td>Project Implementation Manual</td>
</tr>
<tr>
<td>SPA</td>
<td>Senior Project Accountant</td>
</tr>
</tbody>
</table>
December 31, 2017

Dr. Bernice Dahn
Minister
Ministry of Health
Congo Town
Paynesville City, Liberia

Dear Dr. Dahn


The Financial Statements of the Ebola Emergency Response Project (EERP) for the fiscal period ended June 30, 2017 are subject to audit by the Auditor General (AG) consistent with the Auditor General’s mandate as provided for under section 2.1.3 of the GAC Act of 2014 and the Engagement Term of Reference.

INTRODUCTION
The audit of the EERP financial statements for the fiscal period ended June 30, 2017 has been completed; the purpose of this letter is to bring to your attention the findings that were revealed during the conduct of the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY
The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

An audit includes:
- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

An audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.
Management Letter on the  
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The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Project Management. Our responsibility is to express our opinion on these financial statements.

APPRECIATION

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

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

Monrovia, Liberia  
December 2017
1 PRIOR YEAR AUDIT RECOMMENDATIONS

<table>
<thead>
<tr>
<th>No</th>
<th>Source of the finding (Management letter)</th>
<th>Particulars of Paragraph</th>
<th>Prior Year recommendations</th>
<th>Status of Prior year recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Internal Audit Report</td>
<td>Paragraph 1.2.1 to 1.2.1.4; Page. 5-6</td>
<td>The Management of the EERP Project should provide justification why the Internal Audit Unit did not conduct an Internal Audit on the Ebola Hazard payments</td>
<td>Implemented</td>
</tr>
<tr>
<td>2.</td>
<td>Vehicle</td>
<td>Paragraph 1.2.2 to 1.2.2.4 Page. 6-8</td>
<td>The Project Management should ensure that procurement of vehicles are undertaken to achieve maximum value for money Additionally, the Project Management should ensure the speedy repair of vehicle to serve the C.B. Damba Hospital</td>
<td>Implemented</td>
</tr>
</tbody>
</table>
2 DETAILED FINDINGS AND RECOMMENDATIONS

2.1 FINANCIAL ISSUES

2.1.1 Lack of Insurance Coverage

Observation

2.1.1.1 Section 13.1 of the contract under insurance coverage for various construction projects states “the contractor shall provide, in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability period, in the amounts and deductibles stated in the PCC for the following events which are due to the Contractor’s risks:

(a) Loss of or damage to the Works, plant, and Material;

(b) Loss of or damage to Equipment;

(c) Loss of or damage to property (except the works, plant, Materials, and Equipment) in connection with the contract; and

(d) Personal injury or death

2.1.1.2 Policies and certificates for insurance shall be delivered by the Contractor to the project manager for the project manager’s approval before the start Date. All such insurance shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred”.

2.1.1.3 During the conduct of the audit, we observed that the Management of the EERP awarded nine (9) construction contracts to several constructions companies without enforcing the required insurance coverage as enshrined in the contract documents. The total value for all the construction projects was US$3,192,073.72. See Table 2 below for details:

Table 2: Lack of Insurance Coverage

<table>
<thead>
<tr>
<th>#</th>
<th>Contractors</th>
<th>Counties/Locations of Project</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>West Construction Liberia, Inc.</td>
<td>Construction of 6 duplex housing units in Montserrado Co.</td>
<td>310,883.29</td>
</tr>
<tr>
<td>2</td>
<td>Associated Builders and Contractors Inc.</td>
<td>Construction of 5 duplex housing units in Gbarpolu Co.</td>
<td>281,389.57</td>
</tr>
<tr>
<td>3</td>
<td>West Construction Liberia Inc.</td>
<td>Construction of 5 duplex housing units in Grand Kru Co.</td>
<td>266,433.78</td>
</tr>
<tr>
<td>4</td>
<td>West Construction Liberia Inc.</td>
<td>Construction of 5 duplex housing units in Grand Gedeh Co.</td>
<td>267,063.52</td>
</tr>
<tr>
<td>5</td>
<td>SLD &amp; Associates Architectural</td>
<td>Construction of 5 duplex housing units in</td>
<td></td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>#</th>
<th>Contractors</th>
<th>Counties/Locations of Project</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>SLD &amp; Associates Architectural &amp; Construction Company</td>
<td>Construction of 5 duplex housing units in Rivergee Co.</td>
<td>230,408.25</td>
</tr>
<tr>
<td>7</td>
<td>Modern Construction &amp; Contractors Services Inc.</td>
<td>Construction of 5 duplex housing units in Rivercess Co.</td>
<td>222,577.78</td>
</tr>
<tr>
<td>8</td>
<td>West Construction Liberia Inc.</td>
<td>Construction of site works, service road, perimeter fence, warehouse &amp; ancillary works at New Redemption Hospital in Caldwell, Montserrat Co.</td>
<td>1,116,118.00</td>
</tr>
<tr>
<td>9</td>
<td>West Construction Liberia Inc.</td>
<td>Construction of 5 duplex housing units in Sineo County</td>
<td>267,063.52</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>US$3,192,073.72</td>
</tr>
</tbody>
</table>

Risk
2.1.1.4 Executing construction projects without enforcing the required insurance coverage on the above contracts as enshrined in the contract documents is a violation of the contract agreement and could lead to loss of resources in the event of non-performance.

Recommendation
2.1.1.5 The Management of the EERP should provide justification why it did not ensure that the required insurance coverage was enforced for the above contracts as enshrined in the contract documents.

Management’s Response
2.1.1.6 The Management of the EERP notes the issue raised regarding the insurance. It was conceived that each contractor would take the responsibility of providing insurance coverage on materials, plants, equipment and workers and thereafter provide documentation to the PIU. Going forward, the PIU will pursue all contractors who are still implementing infrastructure project, ensuring that insurance coverage is provided on materials, plants, equipment and workers. The PIU also informs that despite the oversight regarding insurance coverage, the contractors provided performance bonds, covering all contracts in relation potential cases of losses and non-performances.

Auditor General’s Position
2.1.1.7 We acknowledge Management’s acceptance of our audit finding. However, We will a follow up on the implementation of our audit finding during subsequent audit.

2.1.2 CARI Warehouse renovation Project

Observation
2.1.2.1 Section 54 (1) of the Public Procurement and Concessions(PPC) Act of 2005 as amended and restated in 2010 states that “Quotations shall be requested in writing from as many bidders as practicable, but from at least three (3) bidders”.

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2.1.2.2 During the conduct of the audit, it was observed that the Management of the EERP made payment in the amount of US$14,882.98 to the Central Agricultural Research Institute (CARI) for the renovation of the infrastructure to host the mobile seed processor machine without evidence that a proper renovation was carried out. Further, there was no evidence of memorandum of understanding to authenticate how the US$14,882.98 for the renovation should be carried out. See table 3 below for details:

<table>
<thead>
<tr>
<th>DATE</th>
<th>VOUCHER #</th>
<th>CHECK #</th>
<th>PAYEE</th>
<th>PURPOSE</th>
<th>AMOUNT US$</th>
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<tr>
<td>05/06/17</td>
<td>504</td>
<td>2012</td>
<td>CARI</td>
<td>Renovation of the infrastructure facility to host the mobile seed processor machine</td>
<td>14,882.98</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,882.98</td>
</tr>
</tbody>
</table>

2.1.2.3 Also, during the physical verification of the infrastructure in CARI on November 30, 2017, it was observed that the roofing of the building was done halfway, there is no door to secure the seed processor machine that cost about US$130,000 and the contractor for the project is unknown. See pictorial view below. GAC Photo 1:

Warehouse of the mobile seed processor nuder in CARI Bong County.

Risk
2.1.2.4 The objective of the project could not be achieved in the absence of monitoring to ensure that funds allotted to carry out a specific activity are carryout.

Recommendation
2.1.2.5 The EERP Management should provide justification as to why the renovation was not properly done.
2.1.2.6 Going forward, the Management of the EERP should ensure that proper supervision is carried out for future construction project.

Management's Response

2.1.2.7 The Management of CARI received the US$14,882.98 before the renovation works commenced on a structure with only pillows which used to be a garage. An assessment was done on the structure by our engineers before it was declared suitable to host the Seeds Processing Unit at CARI. Our engineer also prepared a Bill of Quantity detailing the works and cost to get the building ready for use. It was on these assessment and cost report (BoQ) CARI submitted a bill of US$14,882.98 to the West Africa Agriculture Productivity Project Implementation Unit as a request to finance the project.

2.1.2.8 Several works were done on the building after the fund was received by CARI. They include:

1. Roofing of the building
2. The floor casting where seeds are to be stored before processing
3. Walls demarcating units in the building
4. Windows and doors (including steel door)

2.1.2.9 These completed tasks proved that works have been done on the structure contrary to the finding as indicated above.

2.1.2.10 The roofing of the building was completely done by our engineering team at CARI. After the roofing works were completed, there was a massive storm that hit the Suakoko district where CARI is situated. This storm damaged several buildings at CARI including this renovated structure. The statement that the building is "Halfway Roofed" by the auditors is untrue. The parts of the building the auditors saw without roof are the damaged parts by the storm.

2.1.2.11 The designed of the building did not provide for doors in order to create massive ventilation and vehicles (trucks) entrances on the building. When processing rice, the control of rice brand is essential to our workers’ health. As such, management of CARI accepted the plan as it was.

Auditor General's Position

2.1.2.12 The assertions made by the Project Management are not supported by documentary evidence. Going forward, the Management of the project should ensure that amount given to third party for the implementation of projects should be proper monitored and supervised to achieve value for money.

2.1.3 Grand Gedeh County Housing Units Projects

Observation

2.1.3.1 Section 41 (1) (a) to (c) of the PPC Act of 2005 as amended and restated in 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of
contracts entered into by the Entity. The contract administration functions shall include at least the following:

- (a) Ensuring that the contractor complies with the specifications and terms of the contract;
- (b) Ensuring that the contract is being performed on schedule;
- (c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract.”

2.1.3.2 On January 25th, 2017, a construction contract was awarded by the Management of the Ministry of Health to West Construction Liberia, represented by its Country Manager, Abraham Bah, for the construction of five (5) duplex housing units in Grand Gedeh County (Lot 1) at the following located sites:

- Putu Jarwodee Clinic
- Karlowleh Town Clinic
- Gbarzon Jarwodee
- Bargblor Clinic and
- Toffoi Town Clinic

2.1.3.3 The total cost of the project was US$267,063.52.

2.1.3.4 Section 36.1 of the contract document required that payments for the contract shall be made in the following manners:

- 1st payment: 30% of the contract price for the first stage.
- 2nd payment: 40% of the contract price for the second stage.
- 3rd & final payment of the contract price is 30%.

2.1.3.5 During the conduct of the audit, it was observed that the Management of the EERP made the first installment payment of US$80,119.06 to West Construction Liberia INC. as per the contract agreement. Additionally, the stage referred to in the contract is vague. There is nowhere in the contract document to indicate which level of work constitutes the first, second and third stages.

2.1.3.6 During the physical verification of the five (5) housing unit’s projects in Grand Gedeh County, between November 26 to 27, 2017, the following were observed:

- The Gbargblor Town project was still at foundation level
- The Karlowleh Town project was roofed and zinced
- The Toffoi Town project was above window level

2.1.3.7 Both the Garzon Jarwodee and Putu Jarwodee Projects have not commenced contrary to the start date of February 1, 2017, as reflected in the contract agreement. The contract completion date was amended from June 30, 2017 to December 31, 2017. See pictorial
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view below.

GAC Photo 2: Gbargblor Town project

GAC Photo 3: Kariowleh Town project

GAC Photo 4: Toffoi Town project
Risk

2.1.3.8 Failure to complete the construction project on time could lead to the non-achievement of the project's objectives.

2.1.3.9 Failure to commence the Gbarzon Jarwodee and Putu Jarwodee Projects on time could deny the achievement of the project's objectives.

Recommendation

2.1.3.10 The Management of the EERP should provide justification why the Gbarzon Jarwodee and Putu Jarwodee Projects have not commenced as per the contract agreement and up to the time of our physical verification between November 26-27, 2017.

2.1.3.11 The Management of the EERP should provide justification why the Gbargblor Town project was still at foundation level up to the time of our physical verification between November 26-27, 2017.

Management's Response

2.1.3.12 The Management of the PIU notes the comments and recommendation regarding the contract signed with West Construction, Inc. for the construction of five housing duplexes in Grand Gedeh County. The first payment made to West Construction represents advance payment (and not 1st installment payment as per the activity schedule) for which appropriate bank guarantee was provided. Please see the attachment for the activity schedule covering the payment stages. The PIU wants to inform that the activity schedule was not attached to the contracts signed with all the parties. APPENDIX A.

2.1.3.13 The contractor earlier informed the Management of the EERP that Gbarzon Jarwodee and Putu Jarwodee facilities were completely inaccessible to vehicles due to bad roads and therefore it was difficult for West Construction, Inc. to supply materials for the commencement of works during this period. Therefore, the contractor requested the Management of the EERP to suspend the construction until the road conditions can improve during the dry season. Attached is the contractor's request letter. All the payments request have the list of projects and locations. Please also see the attachment for the payment request. APPENDIX B.

2.1.3.14 The MOH understood the challenges regarding the roads and agreed to suspend that portion of the contract until access roads could be improved, since the main objective for the housing units is to provide housing accommodation for health workers in rural (hard to reach) areas. Meanwhile, the Management of the EERP also requested the contractor to provide revised work schedule and request for 'no cost extension' that will enable them complete the remaining two units on a no cost extension arrangement.

Auditor General's Position

2.1.3.15 According to the contract document of the Grand Gedeh Housing Unit Project, the
contract completion date was initially amended from June 30, 2017 to December 31, 2017 due to challenges faced by the contractor. Additionally, the EERP Management should ensure that the contractors provide a new bank guarantee to cater for the advance payments to the contractors to save guide against non-performance.

2.1.4 Sinoe County’s Housing Units Projects

Observation

2.1.4.1 Section 41 (1) (a) to (c) of the PPC Act of 2005 as amended and restated in 2010 states that “The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- (a) Ensuring that the contractor complies with the specifications and terms of the contract;
- (b) Ensuring that the contract is being performed on schedule;
- (c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract.”

2.1.4.2 On January 25th, 2017, a construction contract was awarded by the Management of the Ministry of Health to West Construction Liberia, represented by its Country Manager, Abraham Bah, for the construction of five (5) duplex housing units in Sinoe County (Lot 6) at the following located sites:

- Tagbaville Town Clinic
- Jokoken Town Clinic
- Saywon Town Clinic
- F.J.Grande Hospital and
- Manwah Walker Clinic

2.1.4.3 The total cost of the project was US$267,063.52.

2.1.4.4 Section 36.1 of the contract document required that payments for the contract shall be made in the following manners:

- 1st payment: 30% of the contract price for the first stage.
- 2nd payment: 40% of the contract price for the second stage.
- 3rd & final payment of the contract price is 30%.

2.1.4.5 During the conduct of the audit, it was observed that the Management of the EERP made the first and second installment payments in the amount of US$80,119.06 and US$ 48,071.43 to West Construction Liberia. Additionally, the stage referred to in the contract document is vague. There is nowhere in the contract to indicate which level of work constitutes the first, second and third stage.
2.1.4.6 During the physical verification of the five (5) housing unit’s projects in Sinoe County, on December 2, 2017, the following were observed:

- The Tagbaville Town project was roofed, zinged with electrical and plastering works ongoing.
- The Saywon Town, F.J. Grante Hospital and Manwahwalker Clinic projects are all roofed with electrical and plumbing works ongoing. Also, the Saywon Town Project Septic tank was erected without the consideration of steel rod being cast in the four corners of the septic tank as was observed with the other projects.
- The Jokoken Town project has not commenced up to the time of our field verification on December 2, 2017.

2.1.4.7 Similarly, like the Grand Gedeh Projects, the contract document for the project completion date was amended from June 30, 2017 to December 31, 2017.

See pictorial view below

GAC Photo 5: Tagbaville Town Project
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GAC Photo 6: F.J. Grante Project

GAC Photo 7: Manwahwalker Project

Promoting Accountability of Public Resources
2.1.4.8 Failure to complete the construction project on time and erect steel rod at the four corners of the septic tank could lead to non-achievement of the project’s objectives and early collapse of the tank.

2.1.4.9 Failure to commence the Jokoken Town project on time is a violation of the PPC Act and could lead to loss of the project’s resources.

Recommendation

2.1.4.10 The Management of the EERP should provide justifications why the second installment payment was made to West Construction Liberia INC in the absence of the commencement of the Jokoken Town project and why the Jokoken Town project has not commenced as per the contract agreement up to the time of our physical verification on December 2, 2017.

2.1.4.11 Also, the Management of the EERP should provide justification why the Saywon Town project’s septic tank was erected without consideration of steel rod being cast at the four corners of the tank.

Management’s Response

2.1.4.12 The PIU notes the comments and recommendation.

2.1.4.13 Please see the attachment for the activity schedule which outlines the milestones for each payment. The amount of US$80,119.06 represents an advance payment for which a bank guarantee was provided for to cover said payment while US$48,071.43 represents the first payment which covers the foundation to floor slab.
2.1.4.14 Prior to the submission of the payment request for Lot #6 1st milestone payment, West Construction, Inc. wrote the MOH and requested that MOH consider swapping Jokoken facility (in Sinoe) with Putu Karlowen facility (in Grand Gedeh) for the purpose of meeting a full milestone for the payment requested for the entire Lot. The reason was that four of the five facilities in Sinoe reached the milestone but payment request could not be proceeded with because the lot was incomplete. On the other hand, one of the five facilities in Grand Gedeh (Lot #1) had reached the level for similar milestone payment out of the five facilities under the lot. There is a relationship between the two lots. Both have the same cost of US$267,063.52 each. As you will note from the attachment, the request from West Construction, Inc. was accepted which informed the payment request. APPENDIX C.

2.1.4.15 It is a fact that Jokoken remained inaccessible during the period of the original contract as well as during the period of the extension. The PIU/MOH recently contacted all contractors concerning the expiration of contracts extension period and its related consequences. It is important to note that problem of access to the facility in question goes beyond West Construction and the MOH. The PIU/MOH is working with various contractors for the provision of additional no cost extension aimed at assisting the contractors to complete the assignments.

2.1.4.16 The design for the septic tank does have reinforcement columns at the end. The Management of the EERP has requested the contractor to install columns to strengthen the block walls for the septic tank. The contractor has agreed to install columns in the septic tank before December 31, 2017.

**Auditor General’s Position**

2.1.4.17 According to the contract document of the Sinoe Housing Unit Project, the contract completion date was initially amended from June 30, 2017 to December 31, 2017 due to challenges faced by the contractor. Additionally, the EERP Management should ensure that the contractors provide a new bank guarantee to cater for the advance payments to the contractors to save guide against non-performance.

2.1.4.18 Additionally, we acknowledge EERP Management’s acceptance of our finding with regards to the septic tank. However, we will make a follow up on the implementation of the finding.

2.1.5 **River Gee Housing Units Project**

**Observation**

2.1.5.1 Section 40 (1) of the PPC Act of 2005 as amended and restated in 2010 states that “All procurement Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objectives of this Act”.

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2.1.5.2 On January 25th 2017, a construction contract was awarded by the Management of the Ministry of Health to SLD and Associates Architectural and Construction Company represented by its General Manager, Peter B. Parteh for the construction of five (5) duplex housing units all located in Fish Town, River Gee County (lot 4) at the total cost of US$230,408.25.

2.1.5.3 Section 36.1 of the contract document required that payments for the contract shall be made in the following manners:
   - 1st payment - 30% of the contract price for the first stage.
   - 2nd payment - 40% of the contract price for the second stage.
   - 3rd & final payment of the contract price is 30%.

2.1.5.4 During the conduction of the audit, it was observed that the Management of the EERP made the first installment payment of US$69,122.47 to West Construction Liberia. Additionally, the stage referred to in the contract document is vague. There is nowhere in the contract to indicate which level of work constitutes the first, second and third stage.

2.1.5.5 From the physical verification of the five (5) housing unit's projects in Fish Town, River Gee County, on November 25, 2017, the following were observed:

2.1.5.6 Of the five (5) housing unit projects, one is at roof level while the other four (4) projects were at lintel level. From our physical verification of the River Gee Projects, we observed that the five housing projects may not be completed on the December 31, 2017 deadline. See pictorial view below

GAC Photo 10: Fish Town housing unit Project (#1) at roof level
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GAC Photo 11: Fish Town housing unit Project (#2, 3, 4 and 5) at linter level

Risk
2.1.5.7 Failure to implement construction project on time could deny the achievement of the project's objectives.

Recommendation
2.1.5.8 The Management of the EERP should exert all efforts to ensure that the River Gee housing unit projects are completed on schedule in order to realize the objectives of the project.

Management's Response
2.1.5.9 The Management of the EERP is exerting all efforts in ensuring that contractor, SLD & Associates, completes the five housing units on schedule. The Management of the EERP notes that the delay in completion is due to the very bad road that leads to the Southeast which made it inaccessible for vehicles to ply during the rainy season. In early December 2017, the contractor supplied enough materials on site and the work is progressing tremendously.

2.1.5.10 The Management of EERP has also requested the contractor to provide revised works schedule and request for no cost extension that will enable them complete the units.

Auditor General's Position
2.1.5.11 We acknowledge Management's acceptance of our audit finding. However, the Project Management should ensure that additional bank guarantee is provided for the extension of the project which can be used in the event of non-performance.

Gbarpolu County Housing Units Projects

Observation
2.1.6.1 Section 40 (1) of the PPC Act of 2005 as amended and restated in 2010 states that "All
procurement Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objectives of this Act”.

2.1.6.2 This objective can only be achieved when projects are completed and put into use by authorities charged with the duty to do so.

2.1.6.3 On January 25th 2017, a construction contract was awarded by the Management of the Ministry of Health to Associated Builders and Contractors represented by its Managing Director, Fredrick M. Foboi for the construction of five (5) duplex housing units all located in Bopolu City, Gbarpolu County (lot 5) at the total original cost of US$230,408.25. The contract of the project was amended on June 30, 2017 at which time the total cost was increased to US$281,389.57.

2.1.6.4 During our physical verification of the Gbarpolu housing unit Projects, we observed that the projects appeared to have been completed, although we were not provided the certificates of completion to verify that the projects were completed based on the scope of work. However, the projects were yet to be utilized as at the date of our physical verification on December 6, 2017. The buildings have not been put in to use since the completion of said projects in October 2017. See pictorial view below

GAC Photo 12: Gbarpolu County housing unit Projects (1,2, 3, 4 and 5)

Risk

2.1.6.5 Failure to utilize completed projects could results in waste of public resources.

Recommendation

2.1.6.6 The Management of the EERP should provide justification why the completed projects in Gbarpolu have not being used since the buildings was turned over in October of 2017 and up to the date of our physical verification on December 6, 2017.
2.1.6.7 The Management of the EERP should ensure that the completed housing unit projects are utilized or put in to use.

Management’s Response

2.1.6.8 The Management of the PIU notes the comments and recommendation. The building were formally turned over to the MOH. The MOH is working with the Gbarpolu County Health Team to have the housing units occupied by medical staff. The Ministry and County Health Team are also to develop utilization policy and plan for occupancy. Currently, the policy and plan is still being developed. The buildings will be occupied temporarily while final decisions are made for the staff who will benefit from the allocation process.

Auditor General’s Position

2.1.6.9 We acknowledge Management’s acceptance of our audit finding. We will make a follow-up on the implementation of the audit recommendation.

2.1.7 Maryland Housing Units Projects Observation

2.1.7.1 Section 40 (1) of the PPC Act of 2005 as amended and restated in 2010 states that “All procurement Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objectives of this Act”.

2.1.7.2 On January 25th 2017, a construction contract was awarded by the Management of the Ministry of Health to SLD and Associates Architectural and Construction Company represented by its General Manager, Peter B. Parteh for the construction of five (5) duplex housing units in Maryland County (lot 3) at the total cost of US$230,136.01.

2.1.7.3 Section 36.1 of the contract document required that payments for the contract shall be made in the following manners:
- 1st payment: 30% of the contract price for the first stage.
- 2nd payment: 40% of the contract price for the second stage.
- 3rd & final payment of the contract price is 30%.

2.1.7.4 During the conduct of the audit, it was observed that the Management of the EERP made the first installment payment of US$69,040.80 to SLD and Associates Architectural and Construction Company as per the contract agreement. Additionally, the stage referred to in the contract document is vague. There is nowhere in the contract to indicate which level of work constitutes the first, second and third stage.

2.1.7.5 During the physical verification of the five (5) housing unit’s projects in Maryland County, between November 20 to 23, 2017, the following were observed:
- Both the Karoken and JJ Dossen housing units projects were at linter level while
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- The Barraken housing project was at window level and
- The Pleebo Health Center housing unit project was partially at linter level and the Feloken Project was slightly above foundation level up to the time of our physical verification between November 20, to 23, 2017.

2.1.7.6 From our physical verification of the Maryland Projects, we observed that the five housing unit projects may not be completed on the December 31, 2017 deadline. See pictorial view below

GAC Photo 13: Barraken housing unit Project

GAC Photo 14: Feloken housing unit Project
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GAC Photo 15: JJ Dossen housing unit Project

GAC Photo 16: Pleebro Health Center Project

GAC Photo 17: Karloken Project

Promoting Accountability of Public Resources
Risk

2.1.7.7 Failure to implement construction project on time could lead to the non-achievement of the project's objectives.

Recommendation

2.1.7.8 The Management of the EERP should exert all efforts to ensure that the Maryland County housing projects are completed on schedule in order to achieve the objectives of the project.

Management's Response

2.1.7.9 The Management of the EERP notes the comments and recommendation and is pleased to inform that efforts are being exerted in ensuring that contractor, SLD & Associates, completes the five housing units on schedule. However, the Management of the EERP also notes that the delay in completion is due to the very bad road that leads to the Southeast, similar to that of Rivergee. This has made the road to be inaccessible for vehicles to ply during the rainy season. In early December 2017, the contractor also supplied enough materials on site and that work on the project is progressing.

2.1.7.10 Meanwhile, the Management of EERP has also requested the contractor to provide revised works schedule and request for no cost extension that will enable them complete the construction of the housing units.

Auditor General's Position

2.1.7.11 We acknowledge Management's acceptance of our audit finding. However, the Project Management should ensure that additional bank guarantee is provided for the extension of the project which can be used in the event of non-performance.

2.1.8 Montserratado County housing units Projects

Observation

2.1.8.1 Section 40 (1) of the PPC Act of 2005 as amended and restated in 2010 states that "All procurement Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objectives of this Act".

2.1.8.2 This objective can only be achieved when projects are completed and put into use by authorities charged with the duty to do so.

2.1.8.3 On January 25th 2017, a construction contract was awarded by the Management of the Ministry of Health to West Construction Liberia, represented by its Country Manager, Abrahah Bah for the construction of six (6) duplex housing units in Montserratado County (lot 7) at the total cost of US$310,883.29.

2.1.8.4 During our physical verification of the Montserratado housing Projects, we observed that the projects appeared to have been completed, although we were not provided the
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certificates of completion to verify that the projects were completed based on the scope of work. However, three (3) of the housing units are yet to be utilized as at the date of our physical verification on December 8, 2017. The three building include:
- The Gbondo Project
- Harrisburg Project and the
- White Plains Project

2.1.8.5 The three (3) above indicated completed buildings have not been put in to use since the project was turned over in November 2017. As the result of this, several of the window glasses on the Harrisburg building have been stolen by unknown person(s). See pictorial view below

GAC Photo 18: White Plains Project

GAC Photo 19: Gbondo Projec
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GAC Photo 20: Harrisburg Project

Risk
2.1.8.6 Failure to utilize the completed projects could lead to waste of public resources.

Recommendation
2.1.8.7 The EERP Management should provide justification why the completed projects have not being used since the buildings was turned over in November of 2017 and up to the date of our physical verification on December 8, 2017.

Management’s Response
2.1.8.8 The Management of the PIU notes the comments and recommendation. The building were formally turned over to the MOH and Montserrado County Health Team for use. The Ministry and County Health Team are to develop utilization policy and plan for occupancy. Currently, the policy and plan is still being developed. Meanwhile, it was advised that the clinics or health centers benefiting from the facilities provide security or partially occupy the facilities until the policy and plan is finalized. Most of the housing units are now occupied as informed by the County Health Officer for Montserrado County.

Auditor General’s Position
2.1.8.9 We acknowledge Management’s acceptance of our audit finding. We will make a follow-up on the implementation of the audit recommendation.

2.1.9 Grand Kru and River Cess Counties Housing Project

Observation
2.1.9.1 Section 40 (1) of the PPC Act of 2005 as amended and restated in 2010 states that “All procurement Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objectives of this Act.”
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2.1.9.2 On January 25th 2017, a construction contract was awarded by the Management of the Ministry of Health to West Construction Liberia, represented by its Country Manager, Abrahah Bah for the construction of five (5) duplex housing units in Grand Kru County (lot 2) at the total cost of US$266,433.78.

2.1.9.3 Section 36.1 of the contract document states that “payments for the contract shall be made in the following manners:
- 1st payment- 30% of the contract price for the first stage.
- 2nd payment-40% of the contract price for the second stage.
- 3rd & final payment of the contract price is 30%”.

2.1.9.4 During the conduct of the audit, it was observed that the Management of the EERP made the first installment payment of US$79,930.13 to West Construction Liberia as per the contract agreement. Similarly, a US$222,577.78 construction contract was awarded to Modern Construction & Contractor Services INC for the construction of five (5) duplex housing units in River Cess County (lot 8) for which US$66,773.33 was advanced to the contractor. Additionally, the stage referred to in the contract document is vague. There is nowhere in the contract to indicate which level of work constitutes the first, second and third stage.

2.1.9.5 During the physical verification of the housing projects in Grand Kru and River Cess Counties, the following were observed:

2.1.9.6 River Cess housing Projects were in the process of painting, with electrical work and plumbing ongoing up to the time of our physical verification on December 3, 2017; while Grand Kru housing projects were roofed, zinc with plastering and electrical works ongoing up to the time of our physical verification on November 23, 2017.

2.1.9.7 From our physical verification of the Grand Kru housing Projects, we observed that the projects may not be completed on the December 31, 2017 deadline. See pictorial view of two of the projects in Grand Kru and River Cess below
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Risk
2.1.9.8
Failure to implement construction project on time could lead to the non-achievement of the project’s objectives.

Recommendation
2.1.9.9
The EERP Management should exert all efforts to ensure that the Grand Kru County housing projects are completed on schedule in order to achieve the objectives of the project.

Management’s Response
2.1.9.10
The Management of the EERP notes the comments and recommendation and is pleased to inform that efforts are being exerted, aimed at ensuring that contractor, West Construction Liberia, Inc., completes the five housing units on schedule. However, the
Management of the EERP also notes that the delay in completion is due to the very bad road that leads to the Southeast which has made the road inaccessible for vehicles to ply, especially during the rainy season. The current update is that the contractor has transported almost all the materials on boats through Sasstown and the contractor has supplied enough materials on all the five sites. This means that we expect the work at the five duplexes to be expedited.

2.1.9.11 The Management of EERP has also requested the contractor to provide revised works schedule and request for no cost extension that will enable them complete the units.

Auditor General’s Position

2.1.9.12 We acknowledge Management’s acceptance of our audit finding. However, the Project Management should ensure that additional bank guarantee is provided for the extension of the project which can be used in the event of non-performance.