



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



On The Audit of the Liberia Institute of Public Administration (LIPA)

*For the Period July 1, 2013 to
June 30, 2014*

July, 2017

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

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
LIPA	Liberia Institute of Public Administration
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CGMA	Certified Global Management Accountant
COSO	Committee of Sponsoring Organizations
CPA	Certified Public Accountant
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
GSA	General Services Agency
INTOSAI	International Organization of Supreme Audit Institutions
L\$	Liberian Dollars
LBDI	Liberia Bank for Development & Investment
PFM Act	Public Finance Management Act
PPC Act	Public Procurement Concessions Act
US\$	United States Dollar
ISSAIs	International Standards of Supreme Audit Institutions

AUDITOR GENERAL'S REPORT

July 19, 2017

Hon. Oblayon B. Nyemah

Director General

Liberia Institute of Public Administration

Republic of Liberia

Dear Hon. Nyemah:

Compliance Report on the Liberia Institute of Public Administration for the Period July 1, 2013 to June 30, 2014

We have audited the activities and financial transactions of the Liberia Institute of Public Administration in compliance with relevant laws and regulations for the periods ended June 30, 2014 **consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).**

Management's Responsibility

Management is responsible for the preparation of financial records in accordance with the terms of local agreement and stated laws and regulations.

This audit was conducted on the basis or understanding that the Management of the Liberia Institute of Public Administration has the responsibility to establish and maintain internal controls necessary to:

- Enable it undertake its contracts award, goods delivery, projects execution, evaluation and reporting in an effective and efficient manner as well as the preparation of documentation on the procurement/projects that are free from material misstatements whether due to fraud or error and in compliance with authorities that govern them;
- Provide reasonable assurance that adopted policies and prescribed procedures are adhered to and errors and irregularities, including fraud and illegal acts are prevented or detected; and to provide us with access to the following:
- All information of which the Liberia Institute of Public Administration is aware of and that is relevant to its contracts award, goods delivery, projects execution, evaluation and reporting as well as their related documentation;
- Any additional information that we may request from Administration for the purposes of the review; and
- Unrestricted access to persons within the Institution Administration from whom we determine it necessary to obtain review evidence.

Auditor's Responsibility

Our responsibility is to independently express a conclusion on the financial records of the Liberia Institute of Public Administration based on our audit. Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), Fundamental Auditing Principles (FAP) and Guidelines for Compliance Audit (GCA). Those principles require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance as to whether the use of Liberia Institute of Public Administration funds are in compliance, in all material respects, with stated laws and regulations.

An audit involves performing procedures to obtain sufficient appropriate evidence to support our conclusion. The procedures performed depend on the auditor's professional judgment, including assessing the risk of material non-compliance, whether due to fraud or error. The audit procedures performed are those we believe are appropriate in the circumstances. We believe that the audit evidence gathered is sufficient and appropriate to provide the basis for our conclusion.

Basis for Disclaimer Conclusion

The Management of LIPA failed to disclose in its summary of cash balance its Ecobank Account titled Liberia Institute of Public Administration (LIPA). Further, there were many inaccuracies observed on the bank reconciliation statements prepared by the LIPA Management. Due to the numerous inaccuracies noted in the Bank Reconciliation statements, we could not confirm that cash and bank balances that should have been recorded were actually recorded and disclosed.

The Liberia Institute of Public Administration made payments for various items in the amount of **US\$12,958.00** (Twelve Thousand Nine Hundred Fifty-Eight United States Dollars) and **L\$118,380.00** (One Hundred Eighteen Thousand Three Hundred Eighty Liberian Dollars) without adequate support documentation.

The LIPA Management made payments to several employees amounting to **US\$15,459.00** (Fifteen Thousand Four Hundred, Fifty-Nine United States Dollars) for daily subsistence and incidental allowances for foreign and domestic travels without evidence that these allowances were retired and/or accounted for.

The Liberia Institute of Public Administration made multiple payments amounting to **US\$30,341.50** (Thirty Thousand, three Hundred Forty-One United States Dollars & Fifty Cents) to several individuals and/or employees of the entity rather than the service providers.

LIPA Management made payments amounting to **L\$629,954.00** (Six Hundred Twenty Nine Thousand Nine Hundred Fifty Four Liberian Dollars) and **US\$7,400.00** (Seven Thousand Four Hundred United States Dollars) in the name of two employees who abandoned work and overstayed their official leave respectively and were still being maintained on the Payroll.

LIPA Management made payments for honorarium to employees and internal facilitators amounting to **US\$4,300** (Four Thousand Three Hundred United States Dollars) without evidence of a formal policy.

Disclaimer Conclusion

Based on the audit work performed, we found that, because of the significance of the matters noted in the Basis for the Disclaimer Conclusion paragraphs above, the activities and financial transactions of the Liberia Institute of Public Administration are not in compliance, in all material respects, with stated laws and regulations.


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

Monrovia, Liberia
July, 2017

BACKGROUND

Background of the Liberia Institute of Public Administration Audit

The audit of the Liberia Institute of Public Administration was commissioned by the Auditor General for period July 1, 2013 to June 30, 2014.

A Brief History of LIPA

The Liberia Institute of Public Administration (LIPA) was established by an Act of the Legislature of Liberia in 1969 which came into operation in 1972 as the Capacity Building Institute of Government. The Institute shall be primarily concerned with improving the administrative performance and professional capabilities of the Government public service through training of personnel, research in problems of public administration and consultation in public administration with the purpose of developing, for maximum utilization, the potential sources of talent of the manpower of the country.

LIPA is headed by a Director General/Superintendent and assisted by three (3) officers/deputies. It is sub-divided into five operational divisions, each with distinct functional tasks which include:

- Human Resource Management Division;
- Budget & Finance Division;
- IT System Management Division;
- Procurement & Logistics Division; and
- General Services & Maintenance Division.

The Liberia Institute of Public Administration has the following personnel who handled the administrative and financial affairs of the institution for the period under audit.

Key Personnel of LIPA

No.	Name	Position	Tenure
1	Harold J. Monger	Director General	2003-2013
2	Oblayon Blayon Nyemah, Sr.	Director General	2013-Present
3	P. EmMersyn Harris	Deputy Director General, Admin.	2003-2015
4	Richard S. Panton	Deputy Director General, Training	1998-2015
5	Harris F. Tarnue	Deputy Director General, Research & Consultancy	2003-2015
6	Florence Geegbae-Dukuly	Deputy Director General, Admin.	2015-Present
7	Jarso Jallah-Saygbe	Deputy Director General, Training	2015-Present
8	Charles G. R. Jarrett, Sr.	Deputy Director General, Research & Consultancy	2015-Present
9	Jacob K. Monjue	Comptroller	2009-2013
10	Luna Harmon	Comptroller	2014-Present
11	Patrice P. Weah	Legal Council	2013-Present

Audit Objectives

The main objective of the audit is to gather sufficient appropriate audit evidence to conclude whether the activities and financial information of the Liberia Institute of Public Administration for the period July 1, 2013 to June 30, 2014 are in compliance, in all material respects with policies, procedures, applicable laws, regulations, and are free of material errors.

Audit Methodology

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial information provided by the Management of the Liberia Institute of Public Administration is in compliance, in all material respects with policies, procedures, applicable laws, regulations, and are free of material errors. In furtherance of this, we undertook audit procedures as would enable us to attain the above objective.

Our audit also took cognizance of the **requirements under the Auditor General's mandate** as provided for under Section 2.1.3 of the GAC Act of 2014 well as the Audit Engagement Terms of Reference (TOR). Our audit approach included observation, inquiries, inspections, re-performance, confirmation, and analytical procedures on areas we considered as high risk.

While the audit was not directed at reporting the following, we have reported on the below issues which came to our attention during the course of the audit:

- Non- effective performance of the program - relates to **Management's responsibility** to undertake activities in a non-effective and non-efficient manner.
- Non-delivery of goods and services – **relates to Management's non-exercise** of responsibility to ensure that all goods and services procured are delivered.
- Instances of non-compliance with applicable laws and regulations - relates to **Management's non-exercise** of responsibility to use resources, and fulfill accountability requirements, in accordance with applicable agreements, laws and regulations governing contracts award, goods and service delivery, projects execution, evaluation and reporting.
- Waste – **relates to Management's non-exercise** of responsibility to obtain and apply resources in an economical manner, without any public money being wasted.
- Instances of abuse- **relates to Management's non-** exercise of responsibility to meet the expectations of the National Legislature and the public as they relate to appropriate standards of behavior.

Limitation of Responsibility

We reviewed the systems and management controls operated by the Liberia Institute of Public Administration only to the extent we considered necessary for the effective conduct of this audit. As a result, our review may not have detected all weaknesses that existed or all improvements that could be made.

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Undisclosed Bank Accounts and Reconciliations

Observation

- 1.1.1.1 Regulation I. 19 of the Public Financial Management (PFM) Act of 2009 states that "The Responsibility of the Auditor-General for examining and certifying government accounts does not relieve any officer responsible for keeping and rendering such accounts from the duty to comply and to ensure that subordinates comply with provisions of any enactment, these regulations and with any instructions or directions issued under them."
- 1.1.1.2 Additionally, Regulation R 3.6 of the PFM Act of 2009 states that, "The balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cashbook or the reference to the date and number thereof."
- 1.1.1.3 It was observed during the audit that the Management of LIPA failed to disclose its cash balance in its Ecobank Account (001014700378801) titled Liberia Institute of Public Administration (LIPA). The cash balance per bank statement at June 30, 2014 was US\$-124.05.
- 1.1.1.4 Further, there were many inaccuracies observed on the bank reconciliation statements prepared by the LIPA Management. **See table 1 below for detail:**

Table 1: Bank Reconciliation Analysis*

Date	Balance per cash book as per reconciliation statement (A) USD	Balance per cash book as per Ledger (B) USD	Variance (C=A-B) USD
July 31, 2013	2,756.23	7,582.00	(4,825.77)
Sept. 30, 2013	1,792.00	1,566.24	225.76
Oct. 31, 2013	82,871.23	81,311.23	1,560.00
Dec. 31, 2013	9,935.19	8,360.19	1,575.00
Jan. 31, 2014	181,563.14	193,563.14	(12,000.00)
Jun. 30, 2014	10,302.44	14,015.54	(3,713.10)
Jun. 30, 2014	34,328.14	134,378.14	(100,050.00)

*** LBDI - General Account US\$-0221515719103**

Risk

- 1.1.1.5 The accuracy and completeness of the financial statements could be in doubt in the absence of the non-disclosure of some of the entity's bank accounts.
- 1.1.1.6 Also, disagreements between the cashbook balance per the reconciliation statement and the cashbook balance per the ledger could cast doubt on the accuracy of the bank reconciliation statement prepared by the LIPA Management.

- 1.1.1.7 Errors and omission are not timely detected when bank accounts are not reconciled regularly. Non reconciliation undermines accountability and transparency and could lead to misappropriations and fraud.

Recommendation

- 1.1.1.8 The LIPA Management should provide material justification for not disclosing its bank account domiciled at Ecobank- Liberia Limited.
- 1.1.1.9 Going forward, the LIPA Management should disclose all financial information including bank account details.

Management's Response

- 1.1.1.10 *On August 4, 2016, the GAC requested several documents from LIPA to facilitate the conduct of the audit. (Please see exhibit- 001) The request was made for the bank reconciliation statements (this will include active bank accounts, cash book and the reconciled statement). The account at Ecobank was not an active account and was closed since April 30, 2013. **(Please see exhibit- 002)** LIPA management also wish to inform the GAC that the account number reported in the Audit Report is not the correct account number. A bank statement from that account to show the correct account number **(Please see exhibit-003)**.*
- 1.1.1.11 *In view of the above, LIPA's management supplied all active bank account statement. Management wish to inform the GAC that it did not intentionally fail to disclose the inactive bank account. Management will also like to inform GAC that it can write the Ecobank to provide all bank statement if this is required for further review. Bank reconciliation was a challenge for the institution in 2013/2014 budget year. Upon my taking over, several reforms were fast tracked to address several financial, administrative and financial issues the institute faced with. We have made significant achievement in this regards.*

Auditor General's Position

- 1.1.1.12 The request by GAC for the presentation of bank reconciliation statements did not state reconciliation for only active accounts. It is standard financial management requirement to prepare reconciliation for both active and inactive bank accounts as their combined closing balances at the close of the fiscal period should constitute the actual cash balance of the entity. The undisclosed Ecobank Account was obtained by the GAC through confirmation letters issued to various banks requesting banking information of LIPA. There were no bank reconciliation statements prepared for this account and its closing balance was not included in the cash balance at the close of the fiscal period 2013/2014.
- 1.1.1.13 **Additionally, LIPA Management's Assertion that the undisclosed account reported in the GAC report is "not correct" cannot be materially supported. This account mentioned in the audit report was obtained directly from the bank through our confirmation procedure.**

1.1.1.14 Further, LIPA Management failed to address the inaccuracies between its bank reconciliation statements and its cash book. Therefore, the LIPA Management is in breach of Regulation A. 20 of the PFM Act of 2009.

1.1.2 Payments without Adequate Supporting Documentation

Observation

1.1.2.1 Regulations P.9 (2) of the PFM Act of 2009 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".

1.1.2.2 It was observed during the conduct of the audit that payments made for various items in the amount of **US\$12,958.00** (Twelve Thousand Nine Hundred Fifty-Eight United States Dollars) and **L\$118,380.00** (One Hundred Eighteen Thousand Three Hundred Eighty Liberian Dollars) were without adequate support documentation. **Refer to Appendix 1 (a) and 1(b) for details:**

1.1.2.3 In addition, the total amounts in Table 2 were shown as withdrawals from the LBDI Bank Statements for the period under audit and appears not to have been recorded in the entity's cash book

Table 2 – Unrecorded transactions per Bank Statements

LBDI Bank Statements Account No.	USD	LRD
0121915719103	12,958.00	
0221515719103		118,380.00

Risk

1.1.2.4 The receipt of goods cannot be assured in the absence of supporting documents such as delivery/goods received notes.

Recommendation

1.1.2.5 The LIPA Management should provide the necessary supporting documents for the purchase of the items listed on **Appendix 1 (a) and (b).**

1.1.2.6 Going forward, the LIPA Management should ensure that all supporting documentation are attached to payment vouchers.

Management's Response

1.1.2.7 *The adequate filing of documents in the budget and office has been a challenge. Management is currently reviewing all files to ensure that he payment vouchers with the necessary supporting documents are filed properly. As part of the reform process all financial documentation will be routed through the Internal Audit Division to ensure full compliance with the financial management laws of Liberia on increase accountability.*

Auditor General's Position

- 1.1.2.8 We acknowledge Management acceptance of our recommendations. However, Management is in breach of Regulation A.20 of the PFM Act of 2009.

1.1.3 Retirement of Travel Expense

Observation

- 1.1.3.1 **Count 24 of the GOL's Travel Ordinance on Foreign Travel states that "Upon return from abroad, officials are required to submit to the Ministry of Finance, a Travel Settlement Form as per Annexure II within 21 days from the date of return from tour or before date of next journey, whichever is earlier. In very exceptional cases where the second tour is performed immediately after return from the first tour; the second advance may be granted with the specific written approval of the Minister concerned, explaining the reasons thereof."**
- 1.1.3.2 **Also, Count 25 of the GOL's Travel Ordinance on Foreign Travel also states that "No future travel advances shall be paid to anyone who has failed to submit the prescribed Travel Disbursement Form, for any previous journey within 21 days. The entire travel advance will be recovered from those who fail to submit the Travel Settlement Form on return from their visit abroad, and those who subsequently leave the service of the Government, from any arrears due to them by the Government.**
- 1.1.3.3 **Further, Count 15 and 16 of the GOL's Travel Ordinance on Domestic Travel states that "Upon completion of a travel officials are required to submit to the Ministry of Finance THE TRAVEL SETTLEMENT FORM per Annexure II within 21 days of their return. No future domestic travel advance shall be paid to anyone who has failed to submit the prescribed Domestic Travel Settlement Form within 21 days after return from the previous journey."**
- 1.1.3.4 Additionally, Section 54 of the amended and restated PPC Act, 2010 states that **"Quotations shall be requested in writing from as many bidders as practicable, but from at least three (3) bidders" is required for purchases with threshold of less than US\$10,000.**
- 1.1.3.5 **Further, Count 5 and 6 of the GOL's Travel Ordinance on Domestic Travel states "All travel vouchers shall be forwarded to the Bureau of General Accounting of the Ministry of Finance. Voucher should be processed within forty-eight hours upon receipt of voucher and all required documentation. All requests for travel advance shall be accompanied by vouchers and original copy of the approval from the competent authorities such as the concerned Ministers/Head of Agencies and/or the Head of the Branch of Government".**
- 1.1.3.6 It was observed during the conduct of the audit that the LIPA Management made payments to several employees amounting to **US\$15,459.00** (Fifteen Thousand Four Hundred, Fifty-Nine United States Dollars) for daily subsistence and incidental allowances for foreign and domestic travels without evidence that these allowances were retired and/or accounted for in compliance with Count 5 and 6 of the **GOL's Travel Ordinance.**

1.1.3.7 Also, it was observed that the LIPA Management did not obtained at least three quotations required to purchase air tickets travels in compliance with the amended and restated PPCC Act of 2010. **See table 3 below for details:**

Table 3: Retirement of Travel Expense

No.	Date	Payee	Description	Voucher No.	Check No.	Amount (USD)	Missing Documentation
1	16-Apr-14	Patrice Weah	Local Travel DSA	967	25817	865.00	Receipts for incidental allowance
2	25-Apr-14	Winston E. Poure	Local Travel DSA/ Accommodation	979	25827	1,490.00	Receipts for incidental allowance
3	30-Apr-14	Benford Quire	Local Travel	989	1022045	9,430.00	No evidence of receipt for incidental allowance
4	Oct-28-13	Emmanuel T. Sneh	Domestic Travel DSA	684	17458	170.00	No evidence of receipt for incidental allowance
5	1-Nov-13	Christian Browne	DSA Allowance	690	1136081	540.00	No evidence of receipt for incidental allowance
6	1-Nov-13	Oblayon B. Nyemah	Foreign travel DSA	696	17467	732.00	No evidence of receipt for incidental allowance
7	1-Nov-13	Patrice Weah	Foreign Travel DSA	697	17468	732.00	No evidence of receipt for incidental allowance
8	8-Nov-13	Tom Farnnoh	Foreign Travel Incidental	706	17477	1,250.00	No evidence of receipt for incidental allowance
9	4-Dec-13	Richard S. Pantan	Foreign Travel Incidental	718	39352	250.00	No evidence of receipt for incidental allowance
Total						US\$15,459.00	

Risk

1.1.3.8 Failure to retire allowances undermines the accountability of public resources.

1.1.3.9 Payments without adequate supporting documentation could cast doubt on the regularity of the transactions and undermine public sector accountability and transparency.

Recommendation

1.1.3.10 The LIPA Management should provide material justification for failing to retire foreign and domestic per diem allowances.

- 1.1.3.11 Management should also provide material justification for failing to obtain three quotations from travel agents for air tickets purchased.
- 1.1.3.12 Going forward, the LIPA Management should ensure that foreign and domestic per diem allowances are retired and/or accounted for in compliance with the Travel Ordinance.
- 1.1.3.13 Also, the LIPA Management should ensure that three quotations are obtained from travel agents for air tickets purchased.

Management's Response

- 1.1.3.14 *Management acknowledge the fact that it is difficult to get employees to file up the travel settlement form upon their return. LIPA Management acknowledge the General Auditing Commission assertions on "Retirement of Travel Expense" and assures the Auditor General that going forward we will ensure full compliance with the Local and Foreign Travel Ordinance of Government of Liberia.*

Auditor General's Position

- 1.1.3.15 The LIPA Management is required to ensure that all staff members who undertook travels retired timely their travel advances. In the absence of retirement of travel advances, the entire amount should be recovered from those who failed to submit their travel settlement forms. For those who have left LIPA, the entity should also recover the amount from them in line with the travel ordinance.
- 1.1.3.16 In addition, the management did not address why Section 54 of the PPC Act as restated in 2010 was not complied with in the purchase of air tickets under US\$10,000.00. The LIPA Management is in breach of Section 54 of the PCC Act as restated in 2010 and is therefore in breach of A.20 of the PFM Regulations of 2009.

1.1.4 Payments to Third Party

Observation

- 1.1.4.1 Regulation B. 28 of the PFM Act of 2009 states that, **"A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment."**
- 1.1.4.2 It was observed during the conduct of the audit that the LIPA Management made multiple payments amounting to **US\$30,341.50** (Thirty Thousand, three Hundred Forty-One United States Dollars & Fifty Cents) to several individuals and/or employees of the entity rather than the service providers. **Refer to Appendix 2 for details.**

Risk

- 1.1.4.3 Checks issued in the names of individuals and/or employees could be diverted to personal use thus leading to misappropriation of funds.

Recommendation

- 1.1.4.4 The LIPA Management should provide substantive justification for authorizing payments in the names of individuals who did not directly provide goods and services.
- 1.1.4.5 Going forward, the LIPA Management should refrain from making payments to individuals and/or employees who did not directly provide goods and services to the entity.

Management Response

- 1.1.4.6 *LIPA is a training institute that provides services to both the private and public sectors. Most of the training for public or private institutions are conducted in the counties which require DSA or attendees fees which covers hotel accommodation and or feeding. Because the participants at most time not from LIPA but various institutions, it is possible to prepare checks for all of them until the start of the training. The actual attendees are provided DSA/per diem. The cashier/Finance officer accompanies the training team is and disburse funds to participants and provide the payment and other relevant documentation to justify the disbursement. These payment are done by finance staff due to the number of participants. PFM Regulation B28 "A payment shall be made only to a person or persons named on the payment voucher or their representatives duly and legally authorized in writing to receive payments". All payments were made to payee stated on the voucher for various activities and programs to implement even though some payee didn't match the description. However, LIPA's management acknowledge the party payment issues and going forward we will ensure it is in compliance.*

Auditor General's Position

- 1.1.4.7 Management's assertion is not materially supported and cannot be sustained on the merit. Management should have written DSA checks and payments for goods and services in the names of the participants and service providers. Management provided no evidence that it was legally authorized to make these payments to LIPA employees. Further, we did not see any evidence that these payments were received by the intended beneficiaries as logs showing name, contact and signature/ thumb print. Therefore, the Management of LIPA is in breach of Regulation A.20 of the PFM Act of 2009, as such all LIPA staff members who received these payments as shown in Appendix 2 should be held accountable for the amounts.

1.1.5 Preparation of Financial Statements

Observation

- 1.1.5.1 Paragraph 1.3.4 of International Public Sector Accounting Standard (IPSAS) Cash Basis of accounting requires that entity should prepare and present general purpose financial statements which include the following components:
- a) A statement of cash receipts and payments which:
 - b) (i) Recognizes all cash receipts, cash payments and cash balances controlled by the entity; and

- c) (ii) Separately identifies payments made by third parties on behalf of the entity in accordance with paragraph 1.3.24 of this Standard;
- d) Accounting policies and explanatory notes; and
- e) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statements or as a budget column in the statement of cash receipts and payments in accordance with paragraph 1.9.8 of this Standard.

1.1.5.2 It was observed during the conduct of the audit that the LIPA Management did prepare and present financial statements for audit purpose. The financial statements were not in compliance with the requirements of International Public Sector Accounting Standards (IPSAS) Cash Basis, adopted by the Government of Liberia.

Risk

1.1.5.3 The **failure to prepare financial statements based on GOL's** adopted financial reporting framework could undermine Government efforts to strengthen financial accountability and control over public receipts and expenditure.

Recommendation

1.1.5.4 The LIPA Management should provide substantive justification for not preparing financial statements in accordance with IPSAS Cash Basis.

1.1.5.5 Going forward, the LIPA Management should prepare and present financial statements in accordance with IPSAS Cash Basis.

Management's Response

1.1.5.6 *IPSAS Financial Statement were prepared the Budget and Finance office in Line with IPSAS Standard. All funds from the enterprise funds are capture as cash receipts (Other Revenue on financial statements under cash receipts and statements). All transfer from MFDP (eg. Operational Funds, Workshops, Conference, etc) are not capture as revenue. It is however capture in the Cash Book as the funds passes through the bank accounts of the institute. All cash receipts will not be capture as revenue. Appropriation from GOL through the Ministry of Finance and Development Planning is capture under "Payment by Other Government Entities" on the IPSAS Financial Statement. This is based on the guidelines set by MFDP for preparation of Financial Statement. **(See exhibit 018 IPSAS Financial Statement).***

Auditor General's Position

1.1.5.7 The financial statements presented by Management did not meet the requirement of IPSAS cash basis of accounting. The notes did not correspond with some of the accounts categories. For example, notes 7 and 8 were not included in the explanation of the notes. Therefore, we maintain our recommendations.

1.1.6 Checks Written out of Numerical Sequence

Observation

1.1.6.1 Regulation A.3 (1) of the PFM Act of 2009 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".

1.1.6.2 It was observed during the conduct of the audit that the LIPA Management wrote and issued checks to vendors out of numerical sequence.

1.1.6.3 It was also observed that Sixteen (16) checks were missing from the numerical sequence of checks recorded in **the entity's cashbook for the period audited. Also, there was no** evidence that these checks, written out of sequence, were canceled and/or voided by the LIPA Management. We requested but were not provided copies of the missing checks. **See Appendix 3 for details.**

Risk

1.1.6.4 Writing checks out of sequence could result in checks being written fraudulently.

Recommendation

1.1.6.5 The LIPA Management should provide material justification for writing and issuing checks out of numerical sequence.

1.1.6.6 The LIPA Management should provide copies of the checks that are missing from the sequence of checks recorded in the cashbook.

1.1.6.7 Going forward, the LIPA Management should refrain from writing and/or issuing checks to vendors out of sequence.

Management's Response

1.1.6.8 *During the period under review, the Liberia Institute of Public Administration has had series of transactions which also involves voided checks in the process and the voided checks were not posted into the cash book. Therefore the numbers of the voided checks were not reflected in the cash book sequentially because of the voided checks.*

Auditor General's Position

1.1.6.9 The LIPA Management did not make available copies of the voided checks as evidence. We therefore strongly recommend that checks voided checks should be recorded in the cash books and the signature section cut out to avoid the check surfacing for possible use. Management should be held account and is in breach of Regulation A.20 of the PFM Act of 2009.

1.1.7 Revenue Irregularities

Observation

- 1.1.7.1 Regulations A. 3 (1 and 2) of the PFM of 2009 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. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20."**
- 1.1.7.2 Section 36 (1 and 2) of the PFM Act of 2009 also 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. Each Spending Entity is required, where applicable, to provide a monthly report on revenues and a quarterly expenditures performance report to the Minister in the terms, format and within the timeframe determined by regulations under this Act."**
- 1.1.7.3 It was observed during the conduct of the audit that the total amount reported in the cashbook from internally generated revenues did not tie to the amount reported on the financial statements for Enterprise funds for the period under audit. **See table 3 below for details:**

Table 4: Financial Statement (Enterprise Funds) vs. Cash Book Analysis

Financial Statements (LIPA Enterprise Funds) USD	Cash Book Analysis USD	Variance USD
300,225.14	332,677.45	(32,453.45)

Risk

- 1.1.7.4 Failure to monitor controls governing the collection of revenues provides opportunities for abuse of the revenues.

Recommendation

- 1.1.7.5 The LIPA Management should provide material justification why the revenue recorded in the cashbook could not tie in with the financial statements.
- 1.1.7.6 Going forward, the LIPA Management should initiate appropriate internal controls such as the maintenance of general ledger and cash book to properly record revenues generated on the financial statements.

Management's Response

- 1.1.7.7 *All funds from the enterprise funds are capture as cash receipts (Other Revenue on financial statements under cash receipts and statements). All transfer from MFDP (eg. Operational Funds, Workshops, Conference, etc) are not capture as revenue. It is however capture in the Cash Book as the funds passes through the bank accounts of the institute. All cash receipts will not be capture as revenue. Appropriation from GOL through the Ministry of Finance and Development Planning is capture under "Payment by Other Government Entities" on the IPSAS Financial Statement. This is based on the guidelines set by MFDP for preparation of Financial Statement. Please see financial statement to show the revenue is US\$ 300,225.14 reported as revenue for the period against what was reported in the audit report. **(See exhibit 018 IPSAS Financial Statement).***

Auditor General's Position

- 1.1.7.8 All internally generated revenue received by LIPA should be recorded in the cashbook and reported in the financial statements. The failure to properly report the internally generated revenue understates the receipts reported in the financial statements rendering the financial statements unreliable. Therefore, we maintain our recommendations.

1.2 Compliance Issues

1.2.1 Payroll Irregularities

Observation

- 1.2.1.1 Regulation T.5 (1) of PFM Act, 2009 states that, "A Head of government agency shall cause the immediate stoppage of payment of salary to a public servant when that public servant has: (a) been absent from duty without permission or reasonable cause for a period as stipulated in the administrative regulations of the establishment; (b) been absent from duty on leave without pay; (c) been convicted of an offence involving theft or fraud, or a sentence of imprisonment; (d) resigned; (e) retired; or (f) died".
- 1.2.1.2 Also, Chapter 7, Section 2 (2b) of the Civil Service Standing Orders stipulates: "an employee who requires extensive medical treatment may, under certain circumstances, be granted up to 60 days sick leave with pay, provided that he is able to produce a certificate from a recognized medical practitioner, which certifies that an extended period of absence from work is necessary".
- 1.2.1.3 It was observed during the conduct of the audit that two employees who abandoned work and overstay on their official leave respectively were still being maintained on LIPA's Payroll.
- 1.2.1.4 It was also observed that the total amount of **L\$629,954.00** (Six Hundred Twenty Nine Thousand Nine Hundred Fifty Four Liberian Dollars) and **US\$7,400.00** (Seven Thousand Four Hundred United States Dollars) were paid in the name of the two employees. **Refer to Appendix 4(a).**

1.2.1.5 Additionally, from the sample tested it was observed that Nineteen (19) employees of the entity appear not to have signed out daily per the attendance log to ascertain that they worked the required eight (8) hours daily. **Refer to 4(b).**

1.2.1.6 Further, it was observed that the daily attendance log was not being regularly monitored by a designated staff.

Risk

1.2.1.7 Paying salary to employee who had not worked could result to unjust salary to ghost employee.

1.2.1.8 Also, failure to monitor and supervise personnel attendance records may result to compensation to none deserving employees.

Recommendation

1.2.1.9 The Management should provide material justification for paying salary to employees who had overstayed on their official leave and abandoned work.

1.2.1.10 The Management should **provide material justification for failing to monitor employees' attendance records.**

1.2.1.11 Further, Management should ensure that personnel attendance records are regularly monitored by a designated staff.

Management's Response

1.2.1.12 *LIPA's management has the authority to immediately remove any employee who is dismissed or abandon the in violation of the HR Policy and Civil Service Standing from the Special or General Allowance. However, the process to remove or replace a Civil Servant from the payroll is within the purview of the Civil Service Agency Personnel Action Notice.*

1.2.1.13 *On the signing-in and out on the attendance log, it has been an issue that management has taken serious steps to mitigate this problem. There has been salaries deductions letters of suspension and/ or warning letters to employee or time. However, for effective monitoring of employees attendance management has introduced the biometric sign-in and out system. **(Please see exhibit 010-1 & 010-2 on biometric equipment at LIPA's entrance use to monitor staff attendance).***

Auditor General's Position

1.2.1.14 We acknowledge Management's assertion that it introduced the biometric sign-in and out system and has taken steps to mitigate the problem. However, during the 2013/2014 fiscal year, the attendance log was not monitored by Management. Management did not also provide any evidence that it communicated with the CSA to remove deceased or separated employee from the payroll. Therefore, Management is accountable for the payment of salaries to employees that are no longer with LIPA.

1.2.2 Fixed Assets Management

Observation

1.2.2.1 Regulation V.1 (2a and b) of the PFM Act of 2009 states that "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".

1.2.2.2 It was observed during the conduct of the audit that the LIPA Management did not maintain fixed assets registry that would show a list of coded assets, date of purchase, cost, location, assignee and current condition.

Risk

1.2.2.3 In the absence of fixed assets listing, the ownership and existence of the entity's assets cannot be assured and can be susceptible to theft.

Recommendation

1.2.2.4 The LIPA Management should provide material justification for not providing fixed assets listings for all assets acquired for the period under audit.

1.2.2.5 Going forward, the LIPA Management should provide fixed assets listing for all assets acquired and disposed for the period under audit.

1.2.2.6 Additionally, proper fixed assets internal controls policies and procedures aligned with PFM regulation should be adopted and implemented for the maintenance of fixed assets.

Management's Response

1.2.2.7 *LIPA maintain a fixed Asset Registry which has been updated. However the fixed asset registry is not comprehensive with lack of information on cost date of purchase and location. These issues were also brought up in an internal managerial system review (Risk Assessment) and Finance & Procurement divisions are currently updating the needed information. LIPA has been working closely with the GSA on fully updating the master registry. Going forward all asset processed by or donated to LIPA will be recorded with all information on the fixed asset registry.*

Auditor General's Position

1.2.2.8 We accept Management's acknowledgement of our findings and its assertion that the GSA is updating LIPA fixed assets registry. However, the LIPA Management is in breach of Regulation A. 20 of the PFM Act of 2009.

1.2.3 Policies and Procedures

Observation

1.2.3.1 The Committee of Supporting Organization of the Treadway Commission (COSO) internal control framework on control activities stipulates that "Institutions deploy control activities through policies that establish what is expected and procedures that put

policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

1.2.3.2 It was observed during the conduct of the audit that the LIPA Management did not develop and/or communicate policies, guidance or procedures on the following activities:

- Accounting Manual
- Accounts Reconciliation
- Petty Cash
- Scholarship procedures and processing
- Internal Controls

Risk

1.2.3.3 The lack of policies and procedures to regulate activities may lead to discretionary decisions and abuse of public funds.

Recommendation

1.2.3.4 The LIPA Management should provide material justification for failing to institute policies and procedures to guide the activities.

1.2.3.5 Going forward, the LIPA Management should ensure that policies and procedures are put in place to guide the activities.

Management's Response

1.2.3.6 *Hon Oblayon B. Nyemah took over the mantle of authority at the Institute on April 1, 2013 almost at the end of the budget year. He continued and fast tracked the reform process at the Institute initiative by the previous administration and USAID-GEM. Staff were trained and policies were developed and adopted senior management. **(Please see exhibit 016, 005 & 008 Policy Manual, Petty Cash Policy and Training & Development Policy)** I am pleased to inform you that LIPA has an approved (Policy Manual) which covers policy, administrative, financial and operational issues. A petty cash policy has been reviewed and approved. Management will ensure that all procedure in those policy are fully adhere to.*

Auditor General's Position

1.2.3.7 We acknowledge the "Policy Manual, Petty Cash Policy and Training & Development Policy" developed by Management. Management should also develop other relevant policy documents for the smooth operation of LIPA.

1.2.4 Internal Audit Unit

Observation

1.2.4.1 Regulation J 3 (1) of the PFM Act of 2009 requires each Government Agency or Organization to establish an Internal Audit Unit to constitute part of that institution.

1.2.4.2 It was observed during the conduct of the audit that there was no evidence of internal audit function to monitor and/or evaluate the system and controls at LIPA.

Risk

- 1.2.4.3 The lack of periodic review of the financial management activities of an organization by an internal audit unit may lead to internal control weaknesses not being identified on a timely basis for corrective actions to be taken.

Recommendation

- 1.2.4.4 The LIPA Management should provide material justification for failing to establish internal audit function at LIPA.
- 1.2.4.5 Going forward, the LIPA Management should establish an internal audit to monitor and/or evaluate the flow of business transactions at LIPA.

Management's Response

- 1.2.4.6 *As part of management's ongoing reform system the setting up of the Internal Audit Unit in the Institute was paramount. The Internal Audit Agency established by law to administer internal audit functions in branches of government was written by management to help establish the internal audit function (Unit) in LIPA. The Internal Audit Unit is now establish and commenced the review of our system and making recommendation for improvement. It is our hope with the current reform, LIPA will have an improve financial management system during your nest review. I have attached several communications between the Internal Audit Agency and Liberia Institute of Public Administration to verify my assertion of a functional unit. **(Please see exhibit 006-1 to 006-6).***

Auditor General's Position

- 1.2.4.7 We acknowledge Management's assertion that it has engaged the Internal Audit Agency to review LIPA's internal control systems and make recommendations. During the 2012/2013 fiscal year, LIPA did not have a functional internal audit unit in place. Therefore, Management is in breach of Regulation A.20 of the PFM Act of 2009.

1.2.5 Lack of Designated Account

Observation

- 1.2.5.1 **Regulation B.8 (1 and 2) PFM Act of 2009 states that "All public moneys collected and retained by a government agency, shall be paid in gross into the designated bank accounts and no use shall be made by any public officer of monies collected in any manner between the time of its receipts and payment into the bank except as provided by an enactment. A Government agency that has legislative approval to retain all or a portion of Internally Generated Funds collected, must first lodge the retained Internally Generated Funds in gross into the Government agency's operational bank account before using the Government agency's disbursement process to spend it."**
- 1.2.5.2 It was observed during the audit that LIPA appears not to have a designated account to collect and deposit training fees. Further, it appears fees are generally deposited in all accounts maintained by the entity such as LBDI, FIB (now GN) and the Central Banks.

Risk

- 1.2.5.3 Failure to collect and retain internally generated funds into a designated account could lead to misappropriation and abuse of public resources.

Recommendation

- 1.2.5.4 The LIPA Management should provide material justification for failing to collect and retain internally generated funds into a designated operational account.
- 1.2.5.5 Going forward, the LIPA Management should ensure that all funds collected shall be paid in gross into a designated account and disbursed in line with the **entity's disbursement** process.

Management's Response

- 1.2.5.6 *LIPA has a designated account for students to deposit training fees. The designated account is the FIB (now GN Bank). The account title is: Liberia Institute of Public Administration with account number (0011201493001). Students are to complete application form and obtain a provisional admission letter with student fees stated. Letter is taken to the Budget & Finance Office and obtain a deposit slip. **(Please see attached exhibit-007-1 & 007-2)** The deposit slip indicated the name of the bank, account title and name of depositor. That is the only account designated for students fees.*

Auditor General's Position

- 1.2.5.7 **Management's assertion is not materially supported.** Documents provided by Management confirmed that LIPA tuition and fees were generally deposited at LBDI, FIB (now GN) and the Central Banks. Therefore, Management should establish a designated account for the deposit of all tuition and fees.

1.2.6 No Policy for Honorarium

Observation

- 1.2.6.1 The Committee of Supporting Organization of the Treadway Commission (COSO) internal control framework on control activities stipulates that, "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.
- 1.2.6.2 It was observed during the conduct of the audit that the LIPA Management made payments for honorarium to employees and internal facilitators amounting to **US\$4,300** (Four Thousand Three Hundred United States Dollars) without evidence of a formal policy. **See table 4 below for details:**

Table 5: Payment for Honorarium

No.	Date	Payee	Description	Check	Amount USD
1	1-Aug-13	Beford Quie	Payment represents Honorarium	39296	1,400.00

No.	Date	Payee	Description	Check	Amount USD
2	3-Aug-13	P. EmMersyn Harris	Payment represents Honorarium	39302	200.00
3	3-Aug-13	Harris F. Tarnue	Payment represents Honorarium	39303	200.00
4	3-Aug-13	P. EmMersyn Harris	Payment represents Honorarium	39302	200.00
5	3-Aug-13	Harris F. Tarnue	Payment represents Honorarium	39303	200.00
6	30-Aug-13	David K. Swen	Payment represents Honorarium	39306	1,000.00
7	21-Feb-14	Wynston E. Poure	Amount represents payment of Honorarium	25714	300.00
8	21-Mar-14	Wynston Poure	Amount represents payment of Honorarium	N/A	800.00
Total					US\$4,300.00

Risk

- 1.2.6.3 The lack of policies and procedures may lead to discretionary decisions and abuse of public funds.

Recommendation

- 1.2.6.4 The LIPA management should provide material justification for failing to institute policies and procedures to guide the payment of honorarium.
- 1.2.6.5 Going forward, the LIPA management should ensure that policies and procedures are put in place to guide the payment of honorarium.

Management's Response

- 1.2.6.6 *LIPA has developed several policies to help safe guard public funds and at the same time ensure consistency and accountability. LIPA has developed and adopted the "policy and procedures for the Training & Manpower Development". This document among other things addresses the standard for paying facilitator and the payment of honorarium. (Please see exhibit 008, Section 8.0 "Payment As Honorarium").*

Auditor General's Position

- 1.2.6.7 Management presented a "policy and procedures for the Training & Manpower Development" without evidence that it has been approved and adopted. There is no date of approval and the approving authority's signature. Therefore, the Management should approve and adopt the policy to make it effective.

1.2.7 Consulting Facilitators

Observation

- 1.2.7.1 Section 41(1) (a-e) of the Amended and Restated PPC Act of 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:

- Ensuring that the contractor complies with the specifications and terms of the contract;
- Ensuring that the contract is being performed on schedule;
- Ensuring that payments made to the contractor are in accordance with the terms of the contract.
- Determining when a contract has been successfully performed which will entitle the contractor to final payment; and
- In the case of each contract awarded by the Procuring Entity, designating a contract administration officer who will have responsibility for the administration **of the contract consistently with the requirements of this Act and the regulations."**

1.2.7.2 It was observed during the conduct of the audit that the LIPA Management hired the services of consultants/ facilitators for the period audited without evidence of a formal contract agreement. **See table 5 below for details:**

Table 6: Consulting Facilitators

FIRST NAME	INITIAL	LAST NAME	COURSE FACILITATED
Jamilatus	J	Konneh	Records Management
Francis		Dennis	Banking & Finance
Teakon		Williams	Project Planning
Nathaniel	C	Bestman	Internal Control

1.2.7.3 Additionally, there was no evidence that the consultants/facilitators had reported to work as the daily attendance log provided by the LIPA Management did not indicate time sign-in and time sign-out.

Risk

1.2.7.4 Failure to maintain contract agreement between consulting facilitators and the LIPA Management undermines public sector accountability and transparency.

Recommendation

1.2.7.5 LIPA Management should provide material justification for failing to maintain or provide a contract agreement for consultants/facilitators.

1.2.7.6 Going forward, the LIPA Management should ensure that contract agreements are signed and maintained for consultants/facilitators.

Management Response

1.2.7.7 *The management of LIPA has always maintained formal contact agreement with all its facilitators. (Please see exhibit 009)*

Auditor General's Position

- 1.2.7.8 The LIPA Management did not provide any evidence of a formal contract for the consultants listed in table 6. Therefore, Management is in breach of Section 41(1) (a-e) of the 2005 Amended and Restated PPC Act of 2010.

1.2.8 Unapproved Procurement Plan

Observation

- 1.2.8.1 Section 40 (2) of the 2005 Amended and Restated PPC Act of 2010 **states that "For each fiscal year the Procurement Unit shall prepare a draft annual procurement plan for goods, works and services for use by the Procuring Entity in the Procuring Entity's budgeting process. Upon budget approval, the Procurement Unit shall prepare an annual procurement plan for goods, works and services in accordance with the Procuring Entity's approved programs and budget and furnish it to the Procurement Committee. The plan shall include: (a) A brief description of each planned procurement contract; (b) The estimated cost of each planned procurement contract; (c) The procurement method to be used; and (d) Processing steps and time schedules".**
- 1.2.8.2 Also, Section 40 (3) states that **"after review and any revisions by the Procurement Committee, the Procurement Committee shall furnish a copy of the annual procurement plan to the Commission for approval".**
- 1.2.8.3 It was observed during the course of the audit that LIPA prepared a procurement plan that was neither signed by its Management nor approved by the Public Procurement and Concession Commission (PPCC).
- 1.2.8.4 There was no evidence to indicate that PPCC approved the LIPA Procurement Plan.

Risk

- 1.2.8.5 Value for money may not be achieved.
- 1.2.8.6 Also, non-adherence to the PPC Act could lead to misapplication of GoL funds.

Recommendation

- 1.2.8.7 The LIPA Management should provide substantive justification for procuring goods and services without an approved procurement plan.
- 1.2.8.8 Going forward, the Management of LIPA should ensure its procurement plan is signed and approved by PPCC.

Management's Response

Auditor General's Position

- 1.2.8.9 In the absence of response from Management, Management is in breach of the Section 40 (2 and 3) of the 2005 Amended and Restated PPC Act of 2010.

2 ACKNOWLEDGEMENT

- 2.1 We acknowledge the cooperation and assistance provided to the GAC Audit Team by the Management and staff of the Liberia Institute of Public Administration during the audit. The efforts and commitment of GAC staff in conducting this audit are also gratefully acknowledged.


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

Monrovia, Liberia
July, 2017

APPENDICES

Appendix 1a: Payments without Adequate Supporting Documentation

No.	Date	Payee	Description	Voucher No.	Check No.	Amount USD	Missing Documentation
1	10-Apr-14	In God We Believe	Repair vehicle & Maint.	954	25806	350.00	Three Quotations
2	22-Apr-14	T.Elijah Worjloh	Repair Building & Maint.	971	25821	150.00	Three Quotations
3	6-May-14	Prince A. Jackson	Repair vehicle & Maint.	996	31496	615.00	Three Quotations
4	8-May-14	City Construction, Inc.	Repair vehicle & Maint., Civil	002	31503	275.00	Three Quotations, Delivery Note, Receipts
5	31-Oct-13	Jet Auto Services	Repair vehicle & Maint.	685	17459	120.00	Three Quotations, Delivery Note
6	1-Nov-13	Master Trading Center	Repairs Vehicles & Maint.	694	41696	130.00	Three Quotations, Delivery Note
7	25-Nov-13	Sumo Kokpah	Repairs & Maint. Vehicle	712	17384	200.00	Three Quotations
8	18-Dec-13	Jonah Kollie	Repairs & Maint.	745	17407	185.00	Local Purchase Orders, Three Quotations
9	20-Dec-13	United Motor Company	Repair vehicle	747	17406	150.00	Three Quotations, Receipts
10	28-Jan-14	Auto Link	Repair & Maint Gen.	777	1022011	250.00	Delivery note
11	4/8/2014	Laurel S. Fallah	Entertainment	939	25796	100.00	Three Quotations, Local Purchase Orders, receipts
12	4/8/2014	Oblayon B. Nyemah	Obituary (Bereavement)	938	25795	1,200.00	Receipt
13	4/15/2014	Llewellyn E. Bryant	Entertainment	955	25807	90.00	Receipts
14	4/15/2014	Winston E. Poure	Entertainment	959	1022042	930.00	Receipts
15	4/15/2014	Sports Palace Business Center	Uniform	961	25815	520.00	Three Quotations, Local Purchase Orders, delivery note
16	4/22/2014	Laurel S. Fallah	Entertainment	972	25823	154.00	Receipts, three quotations
17	5/6/2014	Patrice Weah	Entertainment	993	1022049	725.00	Three quotations, receipts
18	5/8/2014	Frances Jarsayway	Other materials	003	31502	250.00	Three quotations, delivery note, receipt
19	10/21/2014	Pearl J.L Brent	food and Catering Services	668	None	300.00	Three quotations, receipts
20	12/3/2014	Laurel S. Fallah	Entertainment	715	39348	165.00	Receipts
21	12/4/2014	Ranllia A. Jallah	Entertainment, Representation	719	39353	150.00	Three quotations, Receipts



No.	Date	Payee	Description	Voucher No.	Check No.	Amount USD	Missing Documentation
22	12/3/2013	Varney A. Folley, Jr.	Entertainment	717	39350	144.50	Three quotations, Receipts
23	11/27/2013	Charles G. Jarret	Training Stipend	714	17386	400.00	Three quotations, Receipts
24	12/17/2013	Quancy Labor	Operation Fund	742	None	300.00	Three quotations
25	12/30/2013	Catherine D. Lawrence	Food and Catering	766	1022008	2,160.00	Three quotations, receipts
26	1/23/2014	Varney A. Folley, Jr.	Entertainment	778	17427	164.50	Three quotation, delivery note
27	10/28/1013	ETA BETA OMEGA OMEGA Market	Donation	683	39340	1,000.00	Receipt
28	4/3/2014	Winston E. Poure	Entertainment	934	25771	900.00	Receipts, three quotations
29	3/24/2014	Reginald K. Gaye	Uniform, Printing, Entertainment	893	1022037	400.00	Three Quotations, Local Purchase Orders, Delivery note, receipts
30	3/20/2014	Richard Greenfield	Entertainment	883	25755	480.00	Three quotations, receipts
Total						US\$12,958.00	

Appendix 1b: Unrecorded Payments Extracted from LBDI Bank Statements without Adequate Supporting Documentation

No.	Trans. Date	Check /Reference #	Transaction Amount (L\$)	Missing Documentation
1	3-Jul-13	1136060	2,880.00	Payment Request, Payment Voucher, Copy of Check
2	4-Oct-13	1136062	2,500.00	Payment Request, Payment Voucher, Copy of Check
3	29-Jan-14	1136086	12,000.00	Payment Request, Payment Voucher, Copy of Check
4	7-Feb-14	1136089	16,000.00	Payment Request, Payment Voucher, Copy of Check
5	3-Jun-14	14184	10,000.00	Payment Request, Payment Voucher, Copy of Check
6	30-Jun-14	14190	65,000.00	Payment Request, Payment Voucher, Copy of Check
7	30-Jun-14	14191	10,000.00	Payment Request, Payment Voucher, Copy of Check
Total			L\$118,380.00	

Appendix 2: Payments to Third Party

No.	Date	Description	Third Party	Check	Amount (USD)
1	12-Jul-13	Payment for medical assistance in favor of Mr. J. Koffa Monjue	Beford Quie	39288	500.00
2	12-Jul-13	Payment for none professional services for PMU and IAS	Beford Quie	39287	5,200.00
3	1-Aug-13	Payment represents Accommodation	Beford Quie	39293	3,800.00



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No.	Date	Description	Third Party	Check	Amount (USD)
4	1-Aug-13	Payment represents Training Compensation	Lawuo Mulbah	39295	2,225.00
5	20-Aug-13	Payment represents payment of entertainment	Beford Quie	39294	1,000.00
6	5-Sep-13	Payment represents purchase of office equipment for the DG's Office	G. Wesley Colley	39310	675.00
7	6-Sep-13	Payment represents entertainment for the AFL graduation	Rufus S. Davies	39311	700.00
8	9-Sep-13	Payment represents entertainment PSMT interview panel	David K. Swen	39312	650.00
9	11-Sep-13	Amount represents payment for publication services	Rufus S. Davies	39313	450.00
10	6-Sep-13	Payment represents entertainment for the AFL Graduation program	Emmanuel T. Sneh	10505	500.00
11	13-Sep-13	Amount represents payment for Expert /Specialist	Tom N. Fannoh	10512	1,810.00
12	1-Oct-13	Amount represents payment for the entertainment of LIPA's Guess from Ghana	Varney A. Folley	17357	500.00
13	1-Oct-13	Amount represents payment of General Allowance for the month September	Laurel K. Sudue	17359	600.00
14	3-Oct-13	Amount represents payment of assorted goods for the Director General's Office	Varney A. Folley	17366	213.00
15	11-Oct-13	Amount represents payment for the purchase of scratch cards for the Training staff	Tom N. Fannoh	17434	325.00
16	15-Oct-13	Amount represents payment of entertainment for LIPA staff planned workshop	Varney A. Folley	17437	500.00
17	17-Oct-13	Amount represents payment of employee assistance to Mr. Harris to repair his car	P. EmMersyn Harris	17445	300.00
18	17-Oct-13	Amount represents payment of Training of Trainers refreshment and facilitator for the workshop	Charles G. Jarrett	17446	400.00
19	17-Oct-13	Amount represents payment	Varney A. Folley	17448	500.00
20	23-Oct-13	Amount represents payment for foreign travel for the Director General	Laurel K. Sudue	17450	520.00
21	23-Oct-13	Amount represents payment to expedite postage of LIPA documents to Ghana	Varney A. Folley	17453	500.00
22	28-Oct-13	Amount represents payment of training stipend for support staff	Tom N. Fannoh	17457	1,050.00
23	3-Dec-13	Amount represents payment of entertainment for the participants attending a stakeholders meeting	Laurel S. Fallah	39348	165.00



No.	Date	Description	Third Party	Check	Amount (USD)
24	3-Dec-13	Amount represents payment for the purchase of GPRS Refill card for the Director-General office	Laurel S. Fallah	39349	180.00
25	4-Dec-13	Amount represents payment of entertainment for LIPA Strategy Planning committee	Ranvia A. Jallah	39353	150.00
26	12-Dec-13	Amount represents payment of operation expense	Quincy Labor	39356	300.00
27	12-Dec-14	Amount represents payment entertainment for LIPA staff clean-up day	Pearl J. Brent	39358	250.00
28	20-Dec-14	Amount represents payment LIPA needs assessment	Beford Quie	39359	700.00
29	30-Dec-14	Amount represents payment of Eighty (80) pcs of Christmas Cards	Emmanuel A. Hardy	1022009	280.00
30	30-Dec-14	Amount represents payment for the purchase of four 4 AC power adopters	Wynston E. Poure	1022010	150.00
31	6-Jan-14	Amount represents fund for operation expense	Beford Quie	17424	2,500.00
32	15-Jan-14	Amount represents payment of donation	G. Wesley Colley	17428	1,844.00
33	23-Jan-14	Amount represents payment for the purchase assorted goods for the entertainment of the Director-General	Varney A. Folley	17427	164.50
34	29-Jan-14	Amount represents payment of GOL Directory Data base update	S. Eddie Duweh	25687	240.00
36	7-Feb-14	Amount represents payment for the repairs & maintenance ICT	Wynston E. Poure	1022022	150.00
37	12-Feb-14	Amount represents payment of public of LIPA Course	Rufus S. Davies	1022026	150.00
38	21-Feb-14	Amount represents operation fund to run the Institute in the absence of the DG to Moracco	G. Wesley Colley	1022028	200.00
Total					US\$30,341.50

Appendix 3: Checks Written out of Numerical Sequence

No.	Missing Check #	Account Title	Account #
1	10444	LBDI GENERAL USD	002USD21515719103
2	10445	LBDI GENERAL USD	002USD21515719103
3	10447	LBDI GENERAL USD	002USD21515719103
4	10448	LBDI GENERAL USD	002USD21515719103
5	10458	LBDI GENERAL USD	002USD21515719103



No.	Missing Check #	Account Title	Account #
6	10463	LBDI GENERAL USD	002USD21515719103
7	10464	LBDI GENERAL USD	002USD21515719103
8	39299	LBDI Special Project	002USD1515719106
9	10475	LBDI GENERAL USD	002USD21515719103
10	25685	LBDI GENERAL USD	002USD21515719103
11	25686	LBDI GENERAL USD	002USD21515719103
12	1022031	LBDI Special Project	002USD1515719106
13	1022033	LBDI Special Project	002USD1515719106
14	1022034	LBDI Special Project	002USD1515719106
15	1136096	LBDI GENERAL USD	002USD21515719103
16	1136097	LBDI GENERAL USD	002USD21515719103

Appendix 4(a): Payroll Irregularities

Name	Position	Payroll #	Date of Death/ Resignation/ Termination	Trace to Payroll After Statutory Period (death Only)		Gross Salary & Allowance		No. of Months Spent on Payroll		Total Gross Salary & Allowance	
				Salary	Allowance	Salary (LRD)	Allowance (USD)	Salary	Allowance	LRD	USD
Konah K. Smallwood	Training Coordinator	13-01-599-2222	Sept. 1, 2016 (Abandonment)	(Jun. 2013- Jun. 2015)	(Jun.- Sept. 2013)	11,962.00	500.00	25	4	299,050.00	2,000.00
Pearl J.L. Brent	Training Officer	13-02-002-0063	N/A (Abandonment)	(Sept. 2013- Dec. 2015)	(Sept. 2013- Aug. 2015)	11,818.00	225.00	28	24	330,904.00	5,400.00
Total										L\$629,954.00	US\$7,400.00

Appendix 4(b): Payroll Irregularities

No.	First Name	Initial	Last Name	Position	Department	Qualification	Employed
1	Patrice	P.	Weah	Prin. Dev. Specialist	Office of DDG	BSC., LLB	Aug. 1, 2013
2	Jacob	D.	Davies	Training Specialist I	Division of Adm. & Training	BBA., MBA	May 1, 2008
3	Tiaweh		Tyee Jr.	Training Specialist II	Division of Adm. & Training	Bsc. Msc	May 1, 2008
4	Jessey	K.	Fayou	Driver	Division of Adm. & Training	Below High school	Aug. 1, 2013
5	Emmanuel	L.	Freeman	Research Specialist II	Division of Research & Consultancy	BSc., DBA	Mar. 1, 2008
6	Eddie	S.	Duwah	Research Specilist II	Division of Research & Consultancy	Bsc., MBA	N/A
7	Ibrahiam	Y.	Sheriff	Reg. Coordinator	Division of Regional Capacity Building	BSc.	Oct. 1,2007
9	Emmanuel	T.	Sneh	Security I	Office of Director General	WAEC	Oct. 1, 1998
10	Quincy	J.	Labor	Driver	Office of DDG-Adm. & Management	WAEC Cert.	May. 1, 2012
11	Rufus	M.	Koon	Personnel Officer	Division of Human Resource Management	BBA	Mar. 1, 1998
12	Roseline	H.	Wonpleh	Secretary	Division of Human Resource Management	BSC.	N/A
13	Joseph		Howard	Custodian	Division of General Services & Maintenance	BHS.	Sept. 1, 2004
14	Nathaniel		Wesseh	Chief Driver	Division of General Services & Maintenance	BHS.	Oct. 1, 2007
15	David	K.	Swen	Academic Registrar	Division of Admission & Registration	BA., DPA	Oct. 1, 2007
16	Wesley	G.	Colley	Computer Instructor	Division of professional services	BSC	May 1, 2012
17	Joshua	B.	Sebeh	Custodian	Division of General Services & Maintenance	BHS	Oct. 1, 2007
18	Seakro	M.	Snetter	Public Affairs Officer	Office of Director General	Diploma	Nov. 1, 1998