



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Compliance Audit of the Center for
National Documents and Records Agency
(CNDRA)**

For the Fiscal Year ended June 30, 2021

December 2022

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

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Republic of Liberia



TRANSMITTAL LETTER

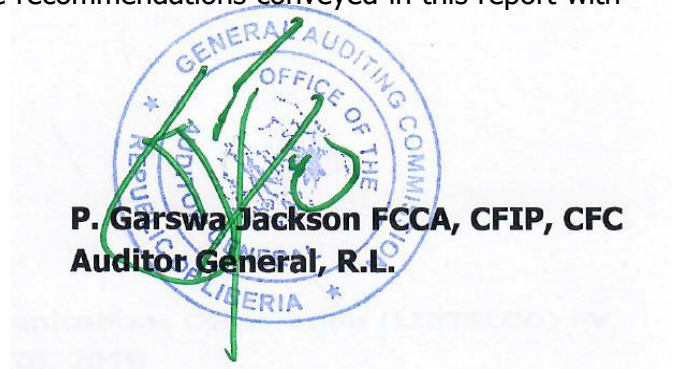
THE HONORABLE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE HONORABLE PRESIDENT PRO- TEMPORE OF THE HOUSE OF SENATE

We have undertaken a compliance Audit of the Center for National Documents and Records Agency (CNDRA) for the fiscal year July 1, 2020 to June 30, 2021. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Finding conveyed in this report were formally communicated to the authorities of the Center for National Documents and Records Agency (CNDRA) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

Given the significance of the matters raised in this report, we urge the Honorable Speaker and Members of the House of Representatives and the Honorable Pro- Tempore and Members of the Liberia Senate to consider the implementation of the recommendations conveyed in this report with urgency.

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



Monrovia, Liberia
September 2023

Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
CNDRA	Center for National Documents And Records Agency
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
COSO	Committee of Sponsoring Organizations of the Treadway Commission
FCCA	Fellow of Certified Chartered Accountants
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
PFM Act	Public Financial Management Act
PPC Act	Public Procurement and Concessions Act
US\$	United States Dollar
ISSAIs	International Standards of Supreme Audit Institutions

September 22, 2023

Hon. Emmanuel Lomax

Director General

Center for National Documents and Records Agency (CNDRA)

12th Street, Sinkor

Monrovia, Liberia

Dear Hon. Lomax:

**COMPLIANCE AUDIT OF THE CENTER FOR NATIONAL DOCUMENTS AND RECORDS
AGENCY (CNDRA) FOR THE FISCAL YEAR ENDED JUNE 30, 2021.**

Adverse Conclusion

The General Auditing Commission has concluded a compliance audit of the Center for National Documents and Records Agency (CNDRA). The compliance audit has been conducted in compliance with relevant laws and regulations 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 in accordance with all relevant laws.

Based on the audit work performed and because of the significance of the non-compliance matters noted in the Basis for Conclusion Paragraphs below, the subject matter is not in all material respect, in compliance with the PFM Act and Regulation, Revenue Code of Liberia Act of 2011, PPC Act and Regulation and other authoritative policies and procedures.

Basis for Conclusion

A variance of US\$11,438.48 was observed between the internally generated revenue figures reported in the revenue report and the internally generated revenue figures recorded on the bank statements for marriage certificate and other legal instruments for the period under audit.

Management made several payments for fuel and lubricant totaling US\$4,111.90 without authorization of the payment vouchers.

Management procured fuel for the operations of the entity vehicles and generators without evidence of consumption logs and approved policy.

Management provided no evidence of a risk management policy, report or carries out a risk assessment to mitigate internal and external risks that may impact the achievement of the institution's objectives.

The following irregularities were associated with the Fixed Assets Management System:

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns.
- The fixed assets register was not regularly updated.

- There was no evidence of periodic physical verification of assets by Management
- There was no evidence of movement of assets form.
- There was no history of disposal of assets.
- Some of the Agency's fixed assets were not coded.

Management provided no evidence of store ledger to keep adequate record of inventories Movement.

Management provided no evidence of approved strategic and operational plans that set goals and priorities, measure progress and guide the allocation of resources for the achievement of the Entity's objectives.

Management provided no evidence of an audit committee to review internal controls, the scope of internal audit; internal audit plans and ensure that internal and external audit findings are evaluated and implemented.

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

Monrovia, Liberia
September 2023

Background

The Compliance Audit of the Center for National Documents and Records Agency (CNDRA) was commissioned under the Auditor General (AG) mandate as provided for under Section 2.1.3 of the GAC Act of 2014.

The Center for National Documents and Records Agency (CNDRA) is a non-ministerial Agency established to preserve National Documents and Records, issues marriage certificates and make provision for library services in all fifteen counties.

The entity is also mandated to inspect records of any Agency of Government of Liberia. The Center for National Documents and Records Agency serves as the National Archives of Liberia.

Management Personnel

The Center for National Documents and Records Agency (CNDRA) has the following personnel who handled the administrative and financial affairs of the institution for the period under audit.

Table: 1 Key Management Personnel of the CNDRA

#	Name	Title / Position Held	Period
1.	Hon. C. Neileh Daitouah	Director General	March 2019 to Nov. 15, 2019
2.	Hon. Emmanuel A. Lomax	Director General	December 2019 to Present
3.	Hon. Kollie T. Kamara	Deputy Director General	March 2018 to Present
4.	Mr. Henry G. Swaray	Financial Comptroller	July 2019 to present
5.	Mr. Sam Fahnbulleh	Human Resources Director	March 2001 to Present
6.	Mr. Julius Flomo	Procurement Director	March 2018 to Present

Audit Objectives

The objective of the compliance audit, according to the International Standards of Supreme Audit Institutions, ISSAI 4000, is to provide the intended user(s) with information on whether the audited public entities follow legislative decisions, laws, legislative acts, policies, established codes agree upon terms. The standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable or limited assurance about whether (a) Revenue Generating Areas (b) Expenditure for goods, services and (C) Internal Control Systems for the fiscal year ended June 30, 2021, are in all material respects, in compliance with the Revenue Code of Liberia Act of 2011, the Restated PFM Act of 2009, as Amended in 2019 and its Regulations, Public Procurement and Concession Act of 2005, as Amended and Restated 2010 and the CNDRA internal policies and procedures.

Subject Matter and Scope

Validation of the CNDRA Operations with special emphasis on: (a) Income from GoL and Internally Generated Income; (b) Expenditure for goods, services and personnel compensation; and (c) Internal Control Systems (Governance and operational structures) of the entity for the fiscal year July 1, 2020 to June 30, 2021.

Audit Criteria

The audit criteria for the subject matter are the Revenue Code of Liberia Act of 2011, Public Financial Management Act of 2009 and its Regulation, the Restated PFM Act of 2009, as Amended in 2019, Public Procurement and Concession Act of 2005, as Amended and Restated 2010 and its Regulations and the CNDRA Policies and Act.

Audit Methodology

We performed our audit based on review of contract documents, specification, financial records and payment vouchers related to the period under audit, interview CNDRA staff as well as physical verification of the Entity Assets and personnel. The audit criteria were applied to each procurement sample selected.

The audit was conducted in accordance with ISSAI 4000 and INTOSAI's International Standards for Compliance Audit. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether CNDRA complied with laws and regulations.

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. Our audit approach included observation, inquiries, inspections, confirmation, and analytical procedures on areas we considered as high risk.

Limitation of Responsibility

The audit involves performing procedures to obtain audit evidence about the subject matters' compliance with applicable authorities identified as criteria. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of non-compliance material issues of the subject matter, whether due to fraud or error.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some non-compliance material issues may not be detected, even though the audit is properly planned and performed in accordance with the ISSAIs. In making our risk assessments, we considered internal control relevant to the subject matters, but not for the purpose of concluding on the effectiveness of the entity's internal control.

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Payment for Fuel without Policy and Consumption Log

Observation

- 1.1.1.1 Regulations 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."
- 1.1.1.2 During the audit, we observed that Management procured fuel amounting to US\$26,772.59 for operations of the Agency vehicles and generators. However, there was no evidence of fuel consumption logs and approved policy on fuel distribution. **See table #1 below for details.**

Table: #1 Payment for Fuel Without Policy and Consumption Log

Period	Payee Name	Description	Amount US\$
2020/2021	Super Petroleum	Fuel/gasoline for CNDRA generators	14,033.34
2020/2021	Super Petroleum	Fuel/gasoline for CNDRA vehicles	12,739.25
Total			26,772.59

Risk

- 1.1.1.3 Fuel procured may not be based on actual consumption.
- 1.1.1.4 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.

Recommendation

- 1.1.1.5 Management should develop, approve and operationalize a policy on fuel consumption and distribution to regulate the procurement and usage of fuel for the entity.
- 1.1.1.6 Management should maintain a fuel consumption and distribution log to aid the entity manage cost and inform future purchase. Evidence of approved policy and periodic fuel distribution logs should be adequately documented and filed to facilitate future review.
- 1.1.1.7 Going forward, Management should ensure that fuel procured are based on actual consumption.

Management's Response

- 1.1.1.8 *The CNDRA Management notes the audit findings and recommendations. Management has put a system in place to ensure that all fuel purchase and distributed are logged and copies are attached to the supporting document for verification going forward. Please note that, currently there are record books that management used to record all fuel transactions for the Agency, and the US\$26,772.59 worth of fuel mentioned for the Agency's generator and vehicles are no exception. **Please see exhibit-1 the attached fuel log (ledger).***

Auditor General's Position

- 1.1.1.9 We acknowledge Management's subsequent submission of fuel utilization logs after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.1.1.10 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that reports on fuel utilization logs are adequately documented and filed to facilitate future review.
- 1.1.1.11 However, we maintain that Management should develop, approve and operationalize a policy on fuel consumption and distribution to regulate the procurement and usage of fuel for the entity. Evidence of approved policy should be adequately documented and filed to facilitate future review.

1.1.2 Payments without adequate supporting documents

Observation

- 1.1.2.1 Regulation P.9 (2) of the Public Finance Management (PFM) Act of 2009 as restated in 2019 states: "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 Additionally, Part U.9. (4) of the Public Financial Management (PFM) Regulation of 2010 states "A Government Agency shall procure government inventories from persons whose business is registered by the Registrar General's Office and any Government Agency that requires an exemption for any specific case shall apply to the head of government agency with the necessary justification."
- 1.1.2.3 During the audit, we observed that Management did not provide supporting documents (Receipts, invoices, delivery notes, tax clearance and business registration etc where applicable) for expenditure totaling US\$10,595. **See table two (2) below for details.**

Table 2: Payments without adequate supporting documents

Date	Voucher #	Payee	Description	Amount US\$
6/3/2021	10298	Abby Enterprise	Payment representing the purchase of assorted stationery items	1,955.00
12/22/2020	1051	Napay A. Guzeh	Payment for the purchase of items for marriage certificates production and printer Drums	1,100.00
1/13/2021	1084	Wild Stationery Store	Payment representing the purchase of HP Laptop computer	1,500.00
4/23/2021	10251	Metro Stationery Store	Payment for nine (9) cartoons of call card sheets for production of marriage certificates	1,440.00
10/22/2020	943	Metro Stationery Store	Payment for the purchase of ten cartoons of call card sheets for the production of marriage certificate	1,600.00
11/17/2020	980	Mattar Trading Company	Arrears payment for assorted stationery items, furniture, equipment and cleaning material	1,500.00
9/17/2020	902	Mattar Trading Company	Payment for assorted stationery items, furniture equipment and cleaning materials supplied to the Agency	1,500.00
Total				10,595.00

Risk

- 1.1.2.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of the Agency's funds.
- 1.1.2.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.2.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

Recommendation

- 1.1.2.7 Management should provide the supporting documents for the transactions listed above to substantiate the validity of the transactions.
- 1.1.2.8 Management should ensure that all transactions are supported with the requisite supporting documents consistent with the financial management regulations.
- 1.1.2.9 Documentation such as contracts, invoices, goods received notes, delivery notes, receipts, tax clearance, business registration, purchase orders, etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.2.10 *All payments related to the procurement of goods and services are made by the MFDP on behalf of the CNDRA. MFDP does not approve payments without relevant and requisite supporting documents. Therefore, all supporting documents related to these transactions can also be obtained from the MFDP. The CNDRA Administration wants to indicate here that all procurement activities are carried out as per the PPCC Act of 2005, as amended in 2010 and the Public Finance Management (PFM) Act of 2009.*
- 1.1.2.11 *However, the CNDRA Management notes the audit findings and recommendations and will ensure that contracts, invoices, goods received notes, delivery notes, receipts, tax clearance, business registration and purchase orders are prepared and approved for the procurement of goods and services where applicable. Further, all relevant supporting documents will be adequately documented and filed to ease future audit review. To further support this, please see attached all documents relating to these transactions for your review.*

Auditor General's Position

- 1.1.2.12 We acknowledge Management's subsequent submission of supporting documents after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.1.2.13 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that supporting documents on procurement of goods and services are adequately documented and filed to facilitate future review.

1.1.3 Variance between Revenue Transactions on Bank Statement and Revenue Report

Observation

- 1.1.3.1 Section 36(1) of the PFM Act of 2009 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".
- 1.1.3.2 Additionally, Regulation B.8 (1) of the PFM Act of 2009 states "(1) 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".

- 1.1.3.3 During the audit, we observed a variance of US\$11,438.48 between the internally generated revenue figures reported in the revenue report and the internally generated revenue figures recorded on the bank statements for marriage certificate and other legal instruments for the period under audit. **See table three (3) below for details.**

Table 3: Variance between revenue report and bank statements

Currency	Revenue Amount per Bank statements (A)	Revenue Amount Per CNDRA Revenue Report (B)	Revenue Variance (C=A-B)
US\$	538,346.89	526,908.41	11,438.48

Risk

- 1.1.3.4 The accuracy of the internally generated revenue report on marriage certificate and other legal instruments may not be assured; therefore, the revenue reported may be misstated.
- 1.1.3.5 A misstated report may facilitate fraudulent reporting and mislead the users of the reports.

Recommendation

- 1.1.3.6 Management should provide substantive justification for the variance noted between the internally generated revenue report and the bank statements for revenue on marriage certificate and other legal instruments.
- 1.1.3.7 Management should perform periodic (monthly) reconciliation between the internally generated revenue report and the internally generated revenue recorded on the bank statements. variances identified should be investigated and adjusted in a timely manner.
- 1.1.3.8 Periodic reconciliation on revenue reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.3.9 *The Administration of the CNDRA take note of the audit findings and recommendations. The amount of revenue reported by our Customer Service Unit was based on deposit slips submitted to Customer Service Unit for which official receipts were issued to the customers. At time deposits are made at the bank by customers and the deposit slips are delay to be submitted to Customer Service Unit. As such, those deposits are not included on the daily or monthly report for the period. This may sometime lead to understatement of the actual revenue amount reported. Further, there were other deposits that were recorded on the bank statements that are not revenue related. For instance, disbursement for allotment from the MFDP, staff salaries etc.*
- 1.1.3.10 *Going forward, the CNDRA Administration will take note of the audit recommendations and will ensure that periodic (monthly) reconciliations are carried out between the revenue reports and the bank statements. Any variances recognize, shall be investigated and adjusted in a timely manner.*

- 1.1.3.11 *Additionally, periodic reconciliation on our revenue reports will always be adequately documented and filed to ease future review for both our internal and external auditors and others.*

Auditor General's Position

- 1.1.3.12 We acknowledge Management's assertions. However, as previously recommended, Management should perform periodic (monthly) reconciliation between the internally generated revenue report and the internally generated revenue recorded on the bank statements. variances recognized should be investigated and adjusted in a timely manner. This practice will ensure that revenue not initially recorded due to delay in receipt of deposit slips are subsequently captured in the revenue report.
- 1.1.3.13 Also, Management should maintain separate bank accounts for internally generated revenue and GoL allotments to facilitate efficient reconciliations and accountability.

1.1.4 Unauthorized Payment Vouchers

Observation

- 1.1.4.1 Regulations P.11 (1) of the PFM Act of 2009 requires that a head of government agency may in writing authorize by name officers in his Government Agency or office to sign payment vouchers on his behalf and shall in doing this set the financial limits and other conditions within which this authority shall be exercised and communicate same in writing to the Comptroller-General and the Auditor General.
- 1.1.4.2 Regulation P. 13(2) of the PFM Act of 2009 states "the original payment voucher or certificates shall be signed and the officer shall ensure that legible copies of the signature are on each of the vouchers."
- 1.1.4.3 During the audit, we observed that Management made several payments for fuel and lubricant totaling US\$4,111.90 without authorization of the payment vouchers. **See Table four (4) below for details.**

Table 4: Payments made for fuel without signature of the preparer of the payment vouchers.

Voucher Date	Voucher #	Payee Name	Description	Amount US\$
1/20/2021	1095	Super Petroleum	Payment for 40 gallons of fuel	140.00
1/20/2021	1096	Super Petroleum	Payment representing the purchase of 70 gals of fuel against 110 gals	245.00
11/2/2020	957	Super Petroleum	Payment representing the purchase of 70 gals of fuel	245.00
11/2/2020	958	Super Petroleum	Payment representing the purchase of 55 gals of balance fuel on the attached request	192.5

Voucher Date	Voucher #	Payee Name	Description	Amount US\$
10/22/2020	945	Super Petroleum	Payment representing the purchase of 130 gals of fuel against 255 gals of fuel balance 125gals for the DG and DDG vehicle	455.00
10/15/2020	933	Super Petroleum	Payment for fuel for the General Staff bus and the 150KVA generator	402.50
10/13/2020	929	Super Petroleum	Payment for forty gallons of fuel for the DG and DDG vehicles	140.00
14-Jun-21	10316	Super Petroleum	Payment representing the purchase of fuel for the Director office generator & staff bus	471.90
20-Jan-21	1095	Super Petroleum	Payment representing the purchase of the balance 40 gallons of fuel on this request for operation used	140.00
20-Jan-21	1096	Super Petroleum	Payment representing the purchase of 70gals of fuel against 110gals for staff bus.	245.00
2-Nov-20	957	Super Petroleum	Payment representing the purchase of 70gals of fuel against 125gals balance fuel 55gals	245.00
2-Nov-20	958	Super Petroleum	Payment representing the purchase of 55 gals of balance fuel for the 150Kva CNDRAAA generator	192.50
22-Oct-20	945	Super Petroleum	Payment representing the purchase of 130gals of fuel against 255 gals of fuel. Balance fuel 125gals for the DG & DDG general vehicle	455.00
15-Oct-20	933	Super Petroleum	Payment for fuel for the general staff bus and the 150Kva generator	402.50
13-Oct-20	929	Super Petroleum	Payment for forty gallons of fuel for the Director General and Deputy General vehicle	140.00
Total				4,111.90

Risk

- 1.1.4.4 Unauthorized transactions may facilitate fraudulent financial practices.
- 1.1.4.5 Management may override the procurement processes by completing disbursement without authorization of the required procurement processes.

Recommendation

- 1.1.4.6 Management should provide substantive justification for processing transactions without signature of the preparer of the payment vouchers.

- 1.1.4.7 Going forward, Management should ensure that all payment vouchers are signed and approved by the relevant authority.

Management's Response

- 1.1.4.8 *The CNDRA Administration acknowledges the audit recommendation and wishes to assure the GAC that it is not its intent to engage in noncompliance with statutory regulations as well as the PPCC Act of 2010. Our management is aware of every disbursement that was made to vendors for fuel or gasoline. All checks and requests from vendors or suppliers were signed and approved by the relevant authorities at the Agency. Our Administration had always endeavored in ensuring that financial instruments are approved. However, your observation has been duly corrected and filed by the relevant personnel.*
- 1.1.4.9 *Going forward, Management will ensure that all payment vouchers are signed and approved by the relevant authority. Please see attached copy of the signed and authorized payment vouchers for your perusal.*

Auditor General's Position

- 1.1.4.10 We acknowledge Management's assertions. However, Management did not provide approved copies of payment vouchers as asserted in Management's response.
- 1.1.4.11 Management acceptance of our findings and recommendations is acknowledged. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.5 Irregularities Noted with Revenue (Transitory Account)

Observation

- 1.1.5.1 Regulation R.3 (6) of the Public Financial Management Act of 2009 provides 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 cash book or the reference to the date and number thereof.
- 1.1.5.2 Section 36 (1&2) of the PFM Act 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."
- 1.1.5.3 Section 24, paragraph 4 of the Public Financial Management (PFM) Act of 2009 requires that all contracts falling within the threshold of US\$250,000 set forth in the regulations under the Public Procurement and Concessions Commission Act as amended to date, shall be reviewed and approved by the Minister and attested to by the Minister of Justice or his designee.

- 1.1.5.4 On August 20, 2018, a memorandum of understanding was signed between the GoL (CBL, MFDP, LRA, MOJ, CNDRA) and Guaranty Trust Bank Liberia Limited. CNDRA was represented by Mr. C. Neileh Daitouah, former Director General of CNDRA. The MOU was intended for the Government of Liberia to decentralize all fees payment emanating from the CNDRA through a commercial bank.
- 1.1.5.5 The MOU also indicated among others, the following:
- That GTBank open a transitory account in the name of LRA/MFDP/CBL in which all CNDRA Service fees and other related revenue shall be deposited;
 - That the GTBank collaborate with the LRA and CNDRA in the monthly reconciliation of the Transitory Account;
 - That GTBank make daily distribution from the total amount collected as per the agreed revenue sharing ratio (40% to CNDRA & 60% to GoL).
- 1.1.5.6 During the audit, we observed that the following irregularities were associated with the transitory account:
- Service fees payment emanating from CNDRA were not deposited directly in the transitory account as per the MOU.
 - The fees were distributed through an automated system at CNDRA in two-folds on billing forms for separate deposits by customers in CNDRA and LRA Accounts respectively, contrary to the provision of the agreement.
 - The MOU was not signed by the CBL and the MOJ as required in the agreement.

Risk

- 1.1.5.7 The completeness, existence and accuracy of revenue may not be assured; therefore, GoL share of revenue may be misstated.
- 1.1.5.8 A misstated revenue report may facilitate fraudulent reporting and mislead the users of the revenue report.
- 1.1.5.9 Management failure to ensure that MOU is adhere to, may impair the achievement of the revenue sharing agreement. This may facilitate misappropriation of GoL Revenue.
- 1.1.5.10 Contract documents not attested to by the Minister of Justice and CBL as per the agreement may be difficult to enforce when challenged before a court of law.

Recommendation

- 1.1.5.11 Management should provide substantive justification for not adhering to the provisions of the MOU.

- 1.1.5.12 Management should liaise with the relevant authorities to ensure that the transitory account is established and operationalized as per the MOU. Evidence of the establishment of the transitory account should be submitted to the Offices of the Auditor General, thirty (30) days after the submission of the Auditor General's Reports to the National Legislature for validation.
- 1.1.5.13 Management should ensure that service fees payment emanating from CNDRA are deposited directly in the transitory account as per the MOU.

Management's Response

- 1.1.5.14 *The CNDRA Administration acknowledges the report's findings and recommendations. The establishment of the transitory account was originally initiated by the current Administration of the Agency. The MOU for the establishment of the account was drafted by our management and submitted to the MFDP and LRA for review, consideration and approval. After the MFDP and LRA reviewed and signed the MOU, copies were returned to the CNDRA Management for onward submission to the GT-Bank, CBL and MOJ for signatures.*
- 1.1.5.15 *Up to the time of submitting this report, both the CBL and MOJ have not signed the MOU. All efforts have been made by our Management to ensure that the MOU is finalized but to no avail. Nevertheless, copy of the MOU was submitted to the GAC for review.*
- 1.1.5.16 *Additionally, management wishes to indicate here that there is no transitory account currently at the GT Bank for which the management of CNDRA is to deposit internally generated revenue. Therefore, management could not have provided the bank statements of the account to the GAC Audit Team.*
- 1.1.5.17 *The reality on the ground at the Agency is that, the fees are distributed through an automated system at the Agency in two-folds on our billing forms. That is, separate deposits are requested from each customer in CNDRA and LRA accounts respectively.*
- 1.1.5.18 *However, our Management will again liaise with the relevant authorities to ensure that the transitory account is established and operationalized. Evidence of the establishment of the account will be submitted to the Office of the Auditor General as recommended.*
- 1.1.5.19 *Going forward, Management will ensure that all service fees payment emanating from our Agency will be deposited directly in said account.*

Auditor General's Position

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

1.1.6 Deposits not Traced to Bank Statements

Observation

- 1.1.6.1 Regulation B.8. (1,2 and 3) of the PFM Act of 2009 requires that, (1) 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. (2) 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. (3) A person who makes payment from monies collected in contravention of sub regulations (1) and (2) is in breach of financial discipline as defined in Regulation A. 20.
- 1.1.6.2 During the audit, we observed the following irregularities associated with internally generated revenue:
- The total of fifty-eight (58) deposit slips submitted for our review to validate the existence of internally generated revenue from bachelor and marriage certificates amounting to US\$2,250 could not be trace to the bank statements. **See table five (5) below for details.**
 - Additionally, Management did not make available all other deposits slips for our review. As a result, we could not validate the completeness, existence and accuracy of internally generated revenue.

Table five (5): Deposits Not Trace to Bank Statements

No.	Date	Ref #	Name of Customers	Description	Receipt Amount US\$
1	16-Mar-21	891234	Bedecca Fineboy	Payment for Bachelor Certificate	15
2	16-Mar-21	891236	Gudi Elric Neufville	Payment for Bachelor Certificate	15
3	23-Feb-21	895386	Joseph Willie	Payment for Marriage certificate	75
4	23-Feb-21	895389	Mary Krangar	Payment for Bachelor Certificate	15
5	23-Feb-21	895387	Joseph Willie	Payment for Bachelor Certificate	15
6	24-Mar-21	914312	Patience B Jubah	Payment for Bachelor Certificate	15
7	24-Mar-21	914311	James P Fallah	Payment for Bachelor Certificate	15
8	16-Mar-21	891242	Clarence David	Payment for Marriage certificate	75
9	19-Feb-21	890103	Emmanuel Alie	Payment for Marriage certificate	75
10	18-Feb-21	905886	Emmanuel Alie	Payment for Bachelor Certificate	15
11	18-Feb-21	905887	Morruth F. Togba	Payment for Bachelor Certificate	15
12	07-Apr-21	114035	Ballah Johnson	Payment for Marriage certificate	75
13	12-Feb-21	916483	Tito Bomba Korako	Payment for Marriage certificate	75
14	21-Dec-20	49675	Magestuek Wanasue	Payment for Marriage certificate	75

No.	Date	Ref #	Name of Customers	Description	Receipt Amount US\$
15	21-Dec-20	49677	Magestuek Wanasue	Payment for Bachelor certificate	15
16	17-Mar-21	895994	Mohammed Sambullah	Payment for Marriage certificate	75
17	23-Mar-21	914298	Alice Yard	Payment for Bachelor certificate	15
18	11-Mar-21	914072	Torsue M Kamara	Payment for Marriage certificate	75
19	25-Feb-21	921401	Farrison K. Bestman	Payment for Marriage certificate	75
20	25-Feb-21	921404	Farrison K. Bestman	Payment for Bachelor certificate	15
21	23-Mar-21	914296	Moses K. Paye	Payment for Marriage certificate	75
22	23-Mar-21	914297	Moses K. Paye	Payment for Bachelor certificate	15
23	23-Mar-21	104058	V. Rannie W. Hutchinson	Payment for Marriage certificate	75
24	23-Mar-21	104052	V. Rannie W. Hutchinson	Payment for Bachelor certificate	15
25	11-Mar-21	914071	Moses Y. Gilee	Payment for Bachelor certificate	15
26	11-Mar-21	914079	Moses Y. Gilee	Payment for Marriage certificate	75
27	11-Mar-21	914078	Princess G. Beayea	Payment for Bachelor certificate	15
28	03-Nov-20	68067	Kerkulah Yarkpazuah	Payment for Marriage certificate	75
29	24-Nov-20	877930	Amis M. Mulbah	Payment for Bachelor certificate	15
30	24-Nov-20	877928	Amis M. Mulbah	Payment for Marriage certificate	75
31	24-Mar-21	104054	Joyca Kangar	Payment for Bachelor Certificate	15
32	22-Mar-21	49973	Abraham Jue Joe	Payment for Marriage certificate	75
33	22-Mar-21	49971	Elizabeth Wede	Payment for Bachelo certificate	15
34	18-Mar-21	910100	Giffly M. Davis	Payment for Bachelor Certificate	15
35	29-Feb-19	74559	Cyrus T Blamo	Payment for Marriage certificate	15
36	29-Oct-20	34344	J. Edward Reeves	Payment for Bachelor certificate	15
37	12-Oct-20	76551	J. Edward Reeves	Payment for Marriage certificate	75
38	15-Oct-20	34343	Eveln Luogon	Payment for Bachelor Certificate	15
39	29-Feb-19	74558	Helena A. Teak	Payment for Bachelor Certificate	15
40	17-Mar-21	914315	Jackson Gaye	Payment for Marriage certificate	75
41	29-Mar-21	914318	Patricia N. Frange	Payment for Bachelor certificate	15
42	17-Mar-21	914317	Jackson Gaye	Payment for Marriage certificate	15
43	23-Mar-21	914301	Eric T. Kollie	Payment for Marriage certificate	75
44	23-Mar-21	914299	Garpu Kollie	Payment for Bachelor certificate	15
45	11-Mar-21	892956	Avinna y. Diggs	Payment for Bachelor certificate	15
46	Feb 19 2021	892968	Emmanuel Nimely Tarnuel	Payment for Marriage certificate	75
47	Feb 19 2021	892957	Emmanuel Nimely Tarnuel	Payment for Bachelor certificate	15
48	11-Mar-21	914058	Vivian Saylee	Payment for Bachelor certificate	15
49	11-Mar-21	914069	Stanely Tartee	Payment for Marriage certificate	75
50	11-Mar-21	914070	Stanely Tartee	Payment for Bachelor certificate	15
51	19-Mar-21	910107	Joel B. Wah	Payment for Marriage certificate	75
52	19-Mar-21	910095	Joel B. Wah	Payment for Bachelor certificate	15
53	26-Feb-21	909164	Sampson W. Zoe	Payment for Marriage certificate	75

No.	Date	Ref #	Name of Customers	Description	Receipt Amount US\$
54	26-Feb-21	909161	Sampson W. Zoe	Payment for Bachelor certificate	15
55	02-Mar-21	891232	Gudi Elric Neufville	Payment for Marriage certificate	75
56	22-Dec-20	49678	Weedor Young	Payment for Bachelor Certificate	15
57		877925	Klubo N. Mulbah	Payment for Bachelor Certificate	15
58	Feb-25,2021	918082	Joyce J. Gloyah	Payment for Bachelor Certificate	15
Total					2,250.00

Risk

- 1.1.6.3 The completeness and accuracy of revenue may not be assured; therefore, revenue may be misstated.
- 1.1.6.4 Misstated revenue may facilitate fraudulent reporting and mislead the users of the revenue report.
- 1.1.6.5 Deposit slips not traced to bank statements may lead to theft and misappropriation of the Agency funds.

Recommendation

- 1.1.6.6 Management should provide substantive justification for the issuance of official receipts to customers for revenue not traced to the bank statements. Consequently, Management should account for US\$2,250.00 constituting deposit slips not traced to the bank statements.
- 1.1.6.7 Management should provide substantive justification for not making available all other deposit slips for our review.
- 1.1.6.8 Going forward, Management should operationalize the real time review of bank statements and confirm deposits of internally generated revenue before issuance of official receipts to customers.
- 1.1.6.9 Management should also perform periodic (monthly) reconciliation between the revenue report and the bank statements. Variance(s) identified should be investigated and adjusted (where applicable) in a timely manner.
- 1.1.6.10 Periodic revenue reconciliation reports, deposit slips, receipts and bank statements should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.6.11 *The CNDRA Administration acknowledges the report's findings and recommendations and highly regrets the situation that resulted into these internally generated revenue misconduct by some of our formal employees. However, Management wishes to*

categorically inform you that the customer service Section, whose responsibility is to input all returned deposit slips so as to allow the system to generate an official receipt, was never in the know that said deposit slips were not genuine as presented by those unscrupulous employees.

- 1.1.6.12 *In this regard, Management can't justify in any form and manner, the revenue lost in your audit finding, because management was equally not in any know that these activities were ongoing at the time, there were huge influx of our clients(customers). Additionally, the software (SMART SYSTEMS) that is installed at the Agency for marriage and other legal instruments preparation is inadequate to detect revenue theft through deposit slips numbers. In this regard, Management having been informed by these activities, instituted a committee for an immediate investigation that resulted to the transferred, warning and dismissal of those employees involved with immediate effect, as said action was documented and submitted to the GAC for review.*
- 1.1.6.13 *Management wishes to register here that this situation is the first of its kind at the CNDRA and is not just common to the institution, rather, there are other learning institutions that have suffered similar situation, resulting in to huge revenue losses with fake deposit slips and taken to financial offices of those institution for official receipts issuance. Said students, when discovered, were exposed and considered not registered and therefore, send out.*
- 1.1.6.14 *The recommendation indicated above regarding CNDRA Management provision of substantive justification for not making available all other deposit slips for our review, is in place. However, most of those problem deposit slips, when discovered by Management, the dismissed employees informed the clients (customers) not to submit said deposit slips to customer service for processing. As a result, management was not in possession of most of those deposit slips, but those available and the genuine deposits slips as reconciled to the bank statement were submitted to the GAC for review.*
- 1.1.6.15 *Although monthly reconciliation reports were prepared and approved by management as submitted to the GAC Audit Team during the time of the audit, Management through the appropriate offices, will further strengthen the reconciliations of bank statements to deposit slips before customer service official process any document to ensure that the appropriate revenue is paid to the bank. **However, please see attached additional deposits slips retrieved from few customers.***

Auditor General's Position

- 1.1.6.16 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.6.17 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2 Administrative and Control Issues

1.2.1 Irregularities Associated with Fixed Asset Management

Observation

- 1.2.1.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:
- the date and other details of the voucher or other document on which the items were received or issued;
 - their serial numbers where appropriate; and
 - their distribution to individual locations and the total quantity held."
- 1.2.1.2 During the audit, we observed that the following irregularities were associated with the Fixed Assets Management System: **See Annexure 1 below for details.**
- There was no evidence of a fixed assets management policy.
 - The fixed assets register did not contain all the relevant columns.
 - The fixed assets register was not regularly updated.
 - There was no evidence of periodic physical verification of assets by Management
 - There was no evidence of movement of assets form.
 - There was no history of disposal of assets.
 - Some of the Agency's fixed assets were not coded.
 - There was no evidence of periodic physical verification of fixed assets
 - Fixed assets within a given vicinity were not displayed as required by the PFM Act.

Risk

- 1.2.1.3 Fixed Assets Register may be misstated (Over/understated).
- 1.2.1.4 Assets may be damaged or impaired but their values are still on the books.
- 1.2.1.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.2.1.6 The lack of asset movement log could make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 1.2.1.7 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the entity's objectives.
- 1.2.1.8 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

- 1.2.1.9 Management should develop, approve and operationalize a fixed assets policy to regulate the management of the fixed assets of the entity.
- 1.2.1.10 Management should ensure that the fixed assets register is updated to reflect the following; description, source of purchase, date of purchase, class, code, assignee, location, condition, original cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.2.1.11 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.
- 1.2.1.12 The Fixed Assets Register should be updated periodically to reflect all the Agency's assets.
- 1.2.1.13 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.2.1.14 A Movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.
- 1.2.1.15 Management should initiate/enforce a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed asset verification exercises. Discrepancies in coding identified during verification should be updated in a timely manner.

Management's Response

- 1.2.1.16 *The CNDRA Administration acknowledges the audit's findings and recommendations. Management wish to inform you that the fixed Assets Register is currently being updated. A copy of the register will be submitted to the office of the Auditor General following the completion of the updating exercises at CNDRA by both the Agency and the GSA staff. Henceforth, the Agency has assigned some personnel's to be responsible for the updating of the Register to reflect the changes in location of the assets.*

Auditor General's Position

- 1.2.1.17 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.1.18 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.2 Non-Submission of Stores ledger for Legal Instruments and other inventories

Observation

- 1.2.2.1 Regulations A. 3 (1 and 2) of the PFM Act of 2009 states that, (1) "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. (2) 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."
- 1.2.2.2 Section 36 (1&2) of the PFM Act also states that, (1) "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. (2) 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."
- 1.2.2.3 During the audit, Management provided no evidence of store ledger to keep adequate record of inventories movement and ledger book for the followings:
- Marriage certificates and legal instruments (Loan agreement, Bill of divorcement, over draft agreement, registration of divorce certificate, resolution) etc.
- 1.2.2.4 Further, there was no evidence of inventory and supplies receipt and distribution log maintained by the store officer to track the movement of inventory and supplies at the Agency.

Risk

- 1.2.2.5 Inventories may be misappropriated leading to decline in operational activities.
- 1.2.2.6 Failure to effectively maintain documentations for inventory receipt, storage, and distribution may lead to unauthorized and misappropriation of inventory.
- 1.2.2.7 In the absence of store records, stores items may be misapplied for personal benefits.
- 1.2.2.8 In the absence of store records, Management may not be able to determine inventory balance, thereby impairing the replenishment of inventory in a timely manner.

Recommendation

- 1.2.2.9 Management should provide justification why the ledger books/ stores ledgers were not submitted to validate the total number of legal instruments processed and issued for the period under audit.

- 1.2.2.10 Management should initiate an automated inventory management system to facilitate and ensure accurate records of inventories such as; current stock balance, reordering level stock-out level etc.
- 1.2.2.11 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable.
- 1.2.2.12 All Inventory record including records of stock take should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.13 *The Administration of the CNDRA acknowledges the audit findings and recommendations and regrets the none submission of these instruments, despite available in the requisite Section. However, Management will ensure that the ledgers and others documents will be submitted to the GAC Team for audit review.*
- 1.2.2.14 *Going forward, Management will ensure that all inventory record including records of stock take should be adequately documented and filed to facilitate future review.*

Auditor General's Position

- 1.2.2.15 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.2.16 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.3 Untimely Submission of Financial Statements

Observation

- 1.2.3.1 Part 1.3.4 of the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting (November 2017) states: "An entity shall prepare and present financial statements which include the following components:
 - (a) Statement of cash receipts and payments which recognizes all cash receipts, cash payments and cash balances controlled by the entity
 - (b) Accounting policies and explanatory notes; and
 - (c) When the entity makes publicly available it's approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget and actual column in the statement of cash receipt and payments in accordance with paragraph 1.7.8 of this Standard"
- 1.2.3.2 Additionally, Regulations C3 (7) of the Public Financial Management Act of 2009 states "A Line minister shall ensure the timely preparation of the periodic and annual financial

statements and reports of the line ministry and agencies under him in accordance with these regulations and other enactments, and cause these statements and reports to be forwarded to the Minister, the Auditor General and the Comptroller General;"

- 1.2.3.3 During the audit, we observed that the financial statements of the CNDRA were not timely provided by Management for audit review as requested.

Risk

- 1.2.3.4 The untimely submission of approved financial statements may deny stakeholders information relevant for timely decision making.
- 1.2.3.5 Management may not fully account for activities of the entity in a timely manner.

Recommendation

- 1.2.3.6 Management should ensure that the financial statements are prepared and approved in compliance with IPSAS Cash Basis of Accounting as adopted by the Government of Liberia and timely submitted for audit review.
- 1.2.3.7 All Financial Statements prepared and approved for the period should be adequately documented and filed to facilitate future review.
- 1.2.3.8 Going forward, Management should ensure that approved financial statements are presented to the Offices of the Auditor General and Comptroller and Accountant General two (2) months after the end of the fiscal period in line with the PFM Act.

Management's Response

- 1.2.3.9 *The Administration of the CNDRA acknowledges the audit findings and recommendation. But, wishes to inform you that although the financial statements were prepared and documented, could not be readily located due to the changes, transferred and resignation of personnel from the finance offices before the coming of the new administration under whose supervision the audit was sanctioned. Even though every effort were made to recall those responsible officers for the purpose of easily locating those documentations failed, the new Management submitted the required documentation as herein stated, despite the delay to the GAC Team to enhance their work.*
- 1.2.3.10 *Going forward, Management will put in to place strategy that will ensure adequate readiness of other financial documentation for future audit review.*

Auditor General's Position

- 1.2.3.11 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.3.12 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.4 No Evidence of Receipts for remittance made to NASSCORP

Observation

- 1.2.4.1 Chapter 89.9 Part II of the National Social Security and Welfare Corporation (NASSCORP) Act of 2016 required that an employer should deduct contributions for pension from the remuneration of the employees at 4% of the gross salary and remit the amount along with the employer's own contribution of 6% of the gross pay to NASSCORP.
- 1.2.4.2 Also, Section 89.18 of the Decree establishing NASSCORP required that a principal employer defaults in paying any contribution prescribed by this Decree or subsequent regulations, a sum equal to four (4%) of the amount unpaid shall be added for each month or part of a month after the date on which payment was due, and any amount so added shall be recoverable as a debt owed by the employer to the Republic.
- 1.2.4.3 During the audit, we observed that Management did not provide payment receipts on the remittance of employees and employer contributions made to NASSCORP for the period under audit.

Risk

- 1.2.4.4 Non-compliance with NASSCORP Regulations, retirees may be denied social security benefits.
- 1.2.4.5 In the absence of payment receipts, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of the Agency's funds.
- 1.2.4.6 The absence of payment receipts for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

Recommendation

- 1.2.4.7 Management should ensure that payment receipts for employees and employer contributions remitted to NASSCORP are requested from the MFDP to validate the transactions.
- 1.2.4.8 Payments receipts representing remittance to NASSCORP should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.4.9 *The CNDRA Administration acknowledges the audit findings and recommendation.*
- 1.2.4.10 *However, Management has not received payment receipts for remittance made on behalf of the CNDRA employees for NASSCORP contributions from MFDP. Nevertheless, the Administration will ensure that receipts for payment for employees are obtained from the MFDP in compliance with the recommendation. Moreover, management will ensure that said documents will be adequately filed to facilitate future review.*

Auditor General's Position

- 1.1.1.1 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.1.2 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.5 No evidence of Audit Committee

Observation

- 1.1.1.3 Regulation 1(K.10) of the Public Finance Management (PFM) Act states "A Head of government agency or government organization shall in consultation with the Internal Audit Governance Board establish and maintain an audit committee for the government agency or organization for which he/she is responsible."
- 1.1.1.4 During the audit, we observed that Management provided no evidence of a functional audit committee to review internal controls, the scope of internal audit; internal audit plans and ensure that internal and external audit recommendations are evaluated and implemented.

Risk

- 1.1.1.5 In the absence of a functional audit committee, Internal and External audit recommendations may not be implemented in a timely manner.

Recommendation

- 1.1.1.6 Management should ensure that a functional Audit Committee is established evidence by the documentation of attendance records and meeting minutes.

Management's Response

- 1.2.5.1 *The CNDRA Administration acknowledges the audit finding. The CNDRA Administration will work with the Internal Audit Agency representatives assigned at the Agency to ensure that a functional Audit Committee is established at the institution. In addition, minutes of meetings conducted by the committee will be documented along with attendance records for future reference.*

Auditor General's Position

- 1.2.5.2 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.5.3 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.6 No Evidence of Risk Management Policy and Report

Observation

- 1.2.6.1 Regulation A (1) 15 of the Public Finance Management (PFM) Act of 2009 required that the management of all government agency must exercise all reasonable care to prevent and detect unauthorized, irregular expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal control to mitigate these risks”.
- 1.2.6.2 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the management of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management manages or mitigates those risk that are meaningful to the organization objectives.
- 1.2.6.3 During the audit, we observed that Management provided no evidence of a risk management policy, report or carries out a risk assessment to mitigate internal and external risks that may impair the achievement of the institution’s objectives.

Risk

- 1.2.6.4 The absence of a risk management policy and report may lead to Management not being aware of potential risks that may affect the operations of the Agency. Potential risks that may impair the achievement of the entity objectives may not be identified and mitigated in a timely manner.

Recommendation

- 1.2.6.5 Management should develop, approve and operationalize a risk management policy to mitigate the internal and external risks that may impair the achievement of the Agency’s objectives.
- 1.2.6.6 Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.
- 1.2.6.7 Periodic risk assessment report should be adequately documented and filed to facilitate future review.

Management’s Response

- 1.2.6.8 *The CNDRA Administration acknowledges the audit finding. Management will work with the Internal Audit Agency representatives assigned at the Agency to ensure that a risk management policy is crafted, approved and operationalized to mitigate the internal and external risks that may impair the achievement of the Agency’s objectives. Further, management will facilitate the conduct of periodic risk assessment and take corrective action going forward for gaps that will be identified.*

Auditor General's Position

- 1.2.6.9 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.6.10 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.2.7 No Evidence of Approved Strategic and Operational Plans

Observation

- 1.2.7.1 In reference to the Committee of Sponsoring Organization (COSO) Framework, government institutions should develop strategic or operational plans in order to ensure that their operations are ethical, economical, efficient and effective. A strategic plan is a document that summaries an entity objective in the long term while the operational plan outlines an entity objective in the short term. These documents establish the basis for allocating resources for the achievement of organizational objectives.
- 1.2.7.2 During the audit, we observed that Management provided no evidence of approved strategic and operational plans that set goals and priorities, measure progress and guide the allocation of resources for the achievement of the Agency's objectives.

Risk

- 1.2.7.3 The failure to produce approved strategic and operational plans may lead to the Agency misdirecting its resources and not prioritizing resources to areas that may best achieve the Agency's mandates.
- 1.2.7.4 Management may be unable to identify and resolve strategic and operational gaps associated with the Agency operations.

Recommendation

- 1.2.7.5 Management should provide substantive justification for not developing approved strategic and operational plan during the period under audit.
- 1.2.7.6 Management should develop, approve and operationalize a strategic and operational plan to support its business requirements.
- 1.2.7.7 Going forward, evidence of approved strategic and operational should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.7.8 *The Administration of CNDRA do acknowledge the audit observation herein contained. Management wish to inform the GAC that upon the commencement of the audit, the strategic and operational plans were under review by the Senior Management Team of the Agency for which draft copies were submitted to the audit team of the GAC. Howbeit,*

Management wishes to assure you that this document will be approved before the end of the first quarter of this fiscal year, since the revision is being concluded by our partners.

- 1.2.7.9 *Upon approval, Management will ensure that copy will be submitted to the GAC for audit review. Additionally, the approved strategic and operational plans will be adequately documented and filed to facilitate future review.*

Auditor General's Position

- 1.2.7.10 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.7.11 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

APPENDIXES

Annexure -1 Irregularities Associated with Fixed Asset Management

Asset Description	Type of Asset	Assignee	Serial #	Comment
1 Air conditioner (8000 BTU) and 1 small Ice box	Appliance	DG office	A/C #32232950000 48	Assets not coded No cost, no acquisition period, no book value etc
1. Seem Executive Desk, 1. Seem executive chair, chairs, and 3. Sponge chairs, table with 4. visiting chairs saves and cabinets	Furniture	DG office	Not available	Assets not coded
A laptop, 1. SATCON TV 1. CCTV 16 ports with a monitor and 1. desk phone	Equipment	DG Office	Not available	No cost, no acquisition period, no book value etc
1. desktop set and printer	Equipment	DG/ A special assistant	Not available	Assets not coded
Air conditioner (9000 BTU)	Appliance	DG / A special assistant	Not available	No cost, no acquisition period, no book value etc
2 desktop sets, 1 scanning and 1 wireless switch	Equipment	DG Staff	C-280170028	Assets not coded
Air conditioner (18000 BTU) and 1 small Ice box	Appliance	DG Staff	Not available	No cost, no acquisition period, no book value etc
2 Air conditioners (9000BTU) and 1 Fan	Appliance	Internal Audit	Not available	Assets not coded
1 desktop set, 1 printer HP jet 2130, 1 computer monitor(deposited}, 1 CPU (disposal) 1 desk phone, 1 Conon copy scanner	Equipment	Internal Audit	Not available	No cost, no acquisition period, no book value etc
5 desktop set, 2 printers, 1 desk phone	Equipment	Internal Audit	Not available	Assets not coded
3 Air conditioners (9000 and 12000) BTU	Appliance	Comptroller	Not available	No cost, no acquisition period, no book value etc
1 Air condition (9000) BTU	Appliance	"	Not available	Assets not coded
2 desktop Dell set and printer	Equipment	"	Not available	No cost, no acquisition period, no book value etc
5 Air conditioners (2. 9000 & 3. 24000 free stand) BTU	Appliance	Research	Not available	Assets not coded
5 desk chairs, 5 desk chairs and 6 visitor chairs, 3 wooden cabinets.	Not available	Not available	Not available	No cost, no acquisition period, no book value etc

Asset Description	Type of Asset	Assignee	Serial #	Comment
1 Air conditioner (9000) BTU	Appliance	Technical staff	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Technical Boss	Not available	No cost, no acquisition period, no book value etc
1 desktop set, printer	Equipment	Technical Boss	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Legal Registrar	Not available	No cost, no acquisition period, no book value etc
1 printer HP 7510	Equipment	Legal Registrar	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Legal Registrar	Not available	No cost, no acquisition period, no book value etc
1 printer HP Laser jet P1102		Technical Assistant DG	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Technical Assistant DG	Not available	No cost, no acquisition period, no book value etc
2 desks, 2 desk chairs, 3 visitor chairs and 1 metal cabinet	Furniture	Tech. on Archives	Not available	Assets not coded
1 desktop set and 1 printer	equipment	Tech. on Archives	Not available	No cost, no acquisition period, no book value etc
1 Air conditioner (9000) BTU	Appliance	Tech. on Archives	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Public Records boss	Not available	No cost, no acquisition period, no book value etc
1 desktop 1 printer	Equipment	Public Records boss	Not available	Assets not coded
2 desks, 1 office, 3 plastic chairs and white Board	Furniture	Public Records Deputy	Not available	No cost, no acquisition period, no book value etc
2 desks. 2 chairs, and 3 chairs	Furniture		Not available	Assets not coded
4 plastic chairs, 23 metal shaves, 2 shortage tablets, 5 plastic chairs		Marriage Boss	Not available	No cost, no acquisition period, no book value etc
1 Air conditioner (9000) BTU 1 desk phone	Appliance	Marriage Boss	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Marriage waiting room	Not available	No cost, no acquisition period, no book value etc

Asset Description	Type of Asset	Assignee	Serial #	Comment
1 TV monitor 32"	Equipment	Marriage staff	Not available	Assets not coded
1 Air conditioner	Appliance	Marriage staff	Not available	No cost, no acquisition period, no book value etc
7 small desks, 7 desk chairs, 9 visitor chairs and 1 alum cabinet	Furniture	Marriage staff	Not available	Assets not coded
1 Laptop, printer, 1 amplifier, 1 receiver 2 mic-phones, 2 pair speakers	Appliance	HR Boss	Not available	No cost, no acquisition period, no book value etc
1 Air conditioner (9000) BTU H-290130016	Appliance		Not available	Assets not coded
1 printer	Equipment	HR staff	Not available	No cost, no acquisition period, no book value etc
1 Air conditioner (12000) BTU H-223291001235	Appliance	,	Not available	Assets not coded
5 Office desks, 5 office chairs, 6 plastic chairs,	Furniture		Not available	No cost, no acquisition period, no book value etc
1 desktop computer Dell set, 2 computer monitors, 2 computer key boards, 1 printer – VNC4Q32064	Not available	Not available	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Public Records Boss	Not available	No cost, no acquisition period, no book value etc
1 desktop 1 printer	Equipment	Public Records boss	Not available	Assets not coded
2 desks, 1 office, 3 plastic chairs and white Board	Furniture	Public Records boss	Not available	No cost, no acquisition period, no book value etc
2 desks. 2 chairs, and 3 chairs	Furniture	Public Records Deputy	Not available	Assets not coded
1 Air conditioner (9000) BTU 1 desk phone	Appliance	Marriage Boss	Not available	No cost, no acquisition period, no book value etc
1 desks, 1 desk chair 3 plastic chairs and 2 metal cabinets	Furniture	Marriage Boss	Not available	Assets not coded
1 Air conditioner (9000) BTU	Appliance	Marriage waiting room	Not available	No cost, no acquisition period, no book value etc
2 AIR conditioners (18000 and 12000) BTU		DG Conference	Not available	Assets not coded

Asset Description	Type of Asset	Assignee	Serial #	Comment
1 Air conditioner (9000) BTU	Not available	Not available	Not available	No cost, no acquisition period, no book value etc
1 jeep 4 doors gasoline (plate # 4250, disposal), 1 jeep 4 doors diesel (plate #4251) ,1 JMC 4 doors Pickup (disposal), 1 Truck 6 tires (disposal), 1 JMC Bus(disposal) and 1 TOYATO Land Jeep	Appliance	Main. Interior cleaner	Not available	Assets not coded No cost, no acquisition period, no book value etc
2 Perkin generators (150KVA & 220KVA)	Equipment	Main. Exterior cleaner	Not available	No cost, no acquisition period, no book value etc