



Management Letter

On the Financial Statements Audit of the Universal Access Fund (UAF)

For the Years July 1, 2018 to June 30, 2021



Promoting Accountability of Public Resources

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

Monrovia, Liberia
January 2025

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Acronyms

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
AMN	Africa Mobile Network
ASC	Accounting Standards Codification
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
COBIT	Control Objectives for Information and Related Technology
COSO	Committee of Sponsoring Organization of the Treadway Commission
CPA	Certified Public Accountant
DSA	Daily Subsistence Allowances
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GoL	Government of Liberia
GST	Goods Service Tax
GT	Guaranty Trust
IAS	International Accounting Standards
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ITU	International Telecommunication Union
KPIs	Key Performance Indicators
LBDI	Liberia Bank for Development & Investment
LRA	Liberia Revenue Authority
LD	Liberian Dollar
LTA	Liberia Telecommunications Authority
MFDP	Ministry of Finance and Development Planning
MNO's	Mobile Network Operators
MoU	Memorandum of Understanding
PFM	Public Finance Management
PIU	Project Implementation Unit
POC	Proof of Concepts
PPC Act	Public Procurement and Concession Act
PPCC	Public Procurement and Concession Commission
RL	Republic of Liberia
RT	Rural Telephony
SOE	State-owned enterprise
ToR	Term of Reference
UAF	Universal Access Fund
USD	United States Dollar

Hon. Sekou Kromah

Chairperson, Governing Board
Universal Access Fund (UAF)
Liberia Telecommunications Authority (LTA) Building
Menetamba Road, ELWA Road
Paynesville, Liberia

January 22, 2025

Dear Hon. Kromah:

RE: Management Letter on the Financial Statements Audit of the Universal Access Fund (UAF) for the Fiscal Period July 1, 2018 to June 30, 2021.

The financial statements of the Universal Access Fund (UAF) are subject to audit by the Auditor-General (AG) in terms of Section 2.1.3 of the GAC Act of 2014 as well as the Engagement Terms of Reference.

Introduction

The audit of the UAF for the years ended June 30, 2021 was completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Audit Scope and Determination of Responsibility

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

An audit involves:

- Examination on a test basis of evidence supporting amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by Management; and
- Evaluation of the Financial Statement's presentation

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

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit, and it is possible that there might be other matter and/or weaknesses that were not identified.

Management Team

The Management Team of the UAF for the period of the audit included the following individuals.

Name	Rank	Tenure
Hon. Sekou Kromah	Chairperson, Governing Board-UAF	2024- Present
Hon. Patrick Honnah	Commissioner LTA/ Chairman, Implementation Committee-UAF	2024- Present

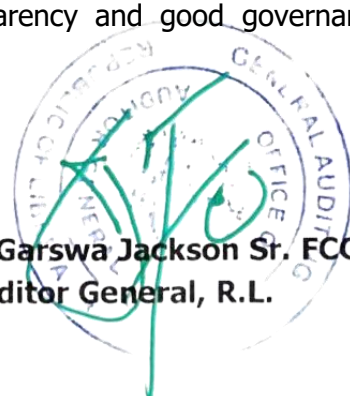
Name	Rank	Tenure
Hon. Cllr. Cooper Kruah	Chairperson, Governing Board-UAF	2018 – 2023
Israel Akinsanya	Commissioner LTA/ Chairman, Implementation Committee-UAF	2018 – 2024
James Lynch Monbo	UAF Project Coordinator	2019- Present
Elijah M. Glay	LTA Coordinator to the UAF	2018- Present
Ceiba S. Karmo	UAF Project Finance Officer	2020 - Present
Elvira Nyafor Kruah	UAF Project Procurement Officer	2020 - Present

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

APPRECIATION

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

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.


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

Monrovia, Liberia

January 2025

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Non-validation of License Fees Payments

Criteria

- 1.1.1.1 Section 10.2 of the Regulations on the Universal Access Fund (Creation, Management and Deployment) states that "Licensees and service providers designated by LTA shall pay 0.5% (half of one percent) of annual gross revenues for the first year of the operation of the UAF. The LTA may revise these contributions in terms of Section 10.3, and shall suspend contributions for any year in which the balance of the Fund at the start of the year, excluding Extraordinary Contributions, exceeds a sum equal to three times the aggregate contribution assessed on licensees in the most recent financial year. Contributions by licensees shall be made directly to the Fund no less frequently than annually, within three months of the date of the financial year end, and on the basis of the relevant entity's audited financial statements, with proof of payment being furnished to the LTA at the same time. The LTA may charge interest on any late payment at the maximum rate permitted by law".

Observation

- 1.1.1.2 During the audit, we could not establish the completeness and accuracy of total revenue amounting to US\$574,750.14 and US\$294,653.12 as contribution from Licensees reported in the financial statements for the periods ended June 30, 2019 & 2021 respectively. Third party documentation such as audited financial statements of GSM companies were not made available to validate the completeness and accuracy of actual annual revenue of GSM companies: the basis for which annual license fees were computed.

Risk

- 1.1.1.3 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.

Recommendation

- 1.1.1.4 Management should provide the audited financial statements of GSM companies to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.1.1.5 Going forward, Management should obtain annual audited financial statements of GSM companies, document total revenue and compute license fees using the approved percentage (0.5%) to validate the completeness and accuracy of the license fees payments. Evidence of audited financial statements of GSM companies and reconciliations performed should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.6 *Management wishes to clarify that it has always obtained the annual audited financial statements from the GSM Companies to compute the license fees using the approved*

percentage (0.5%). However, all audited financial statements for the MNOs for the periods mentioned supra are herein attached for the Auditors consideration.

Auditor General's Position

- 1.1.1.7 We acknowledge Management's subsequent submission of audited financial statements of the MNOs after our audit execution. Based on our review and re-computation using the approved percentage (0.5%) of revenue of the annual audited financial statements, we observed cumulative variances amounting to US\$729,802.64. **See table below for details.**

Table

Period	Lonestar/Novafo ne Annual Audited Financial Statements Gross Revenue A	Orange Annual Audited Financial Statements Gross Revenue B	Total Revenue C=A+B	GAC Re- computation D=(0.5% * C)	UAF Financial Statements E	Variance F=D-E
30-Jun- 19	33,299,000.00	62,833,522.00	96,132,522.00	480,662.61	574,750.14	(94,087.53)
30-Jun- 20	33,016,000.00	66,202,899.00	99,218,899.00	496,094.50	0.00	496,094.50
30-Jun- 21	45,376,000.00	79,113,759.00	124,489,759.00	622,448.80	294,653.12	327,795.68
Total	111,691,000.00	208,150,180.00	319,841,180.00	1,599,205.90	869,403.26	729,802.64

- 1.1.1.8 Management should therefore account for the US\$729,802.64 based on re-computation of actual revenue from the audited financial statements of the MNOs.

1.1.2 Withholding taxes Not Withheld and Remitted

Criteria

- 1.1.2.1 Section 905.f (Payments for Services Rendered) of the 2011 Amended Revenue Code of Liberia states that. "(a) If a payer makes a payment to a resident for services rendered, and the services are not the subject of a contract of employment, the payer is required to withhold tax at the rate of 10 percent of the amount of the payment".
- 1.1.2.2 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 states "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay.

Observation

- 1.1.2.3 During the audit, we observed that Management did not withhold and remit withholding taxes from staff, consultants and vendors to the Liberia Revenue Authority (LRA) for the periods ended June 30, 2019, 2020 & 2021. **See table 1 summary and Annexure 1 for details.**

Table 1: Withholding taxes Not Withheld and Remitted

Period	Staff @ 10%	Consultant @ 10%	Vendors @ 2%	Vendors @ 4%	Total
2018/2019	4,408.86	2,600.00	-	1,093.52	8,102.38
2019/2020	15,300.00	5,410.00	598.14	466.84	21,774.98
2020/2021	15,340.00	16,660.00	545.24	2,599.38	35,144.62
Total	35,048.86	24,670.00	1,143.38	4,159.74	65,021.98

Risk

- 1.1.2.4 Failure to withhold and remit withholding taxes on contractors and GST may impair the collection of GoL revenue.
- 1.1.2.5 Management may be in non-compliant with the provisions of the Revenue Code of Liberia 2000 as amended in 2011 which may result into penalties and fines.
- 1.1.2.6 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.1.2.7 Management should provide substantive justification for not remitting withholding taxes to the LRA.
- 1.1.2.8 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Sections 91 and 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.1.2.9 Going forward, Management should withhold all taxes and facilitate full remittance of same to the General Revenue Account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011. Evidence of remittance of withholding taxes including original copies of flag receipts and other relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.2.10 *Withholding taxes were calculated, withheld, check written to the Liberia Revenue Authority for remittance but was rejected by LRA based on a confusion with UAF autonomy and operational independence. Notwithstanding, we submitted an official communication on the matter on April 19, 2021. In so doing we requested a Tax Identification Number (TIN) from the LRA to enable UAF remit its outstanding taxes. Accordingly, we were only able to collect a TIN on February 9, 2023. We have attached a copy of the LRA TIN Certificate with the corresponding date of issuance; February 9, 2023. Henceforth, we are processing for remittance all outstanding taxes. Previously a check was written and submitted for payment at LRA but was returned due to the confusion over UAF Tax identification number. Please see attached the return check and the communication written to the LRA to resolve the matter.*

Auditor General's Position

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

1.1.3 Payment without Adequate Supporting Documents

Criteria

- 1.1.3.1 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".

Observation

- 1.1.3.2 During the audit, we observed no evidence of supporting documents for expenditure totaling US\$6,000.00, US\$30,149.00 and US\$182,832.91 for the periods ended June 30, 2019, 2020 and 2021 respectively. **See Annexure 2 for details.**

Risk

- 1.1.3.3 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 project's funds.
- 1.1.3.4 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.3.5 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

Recommendation

- 1.1.3.6 Management should fully account for the expenditure made without adequate supporting documents.
- 1.1.3.7 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, performance/record of work done, bid evaluation reports and job completion certificate 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.
- 1.1.3.8 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response

- 1.1.3.9 *Management acknowledges your observation for business registration and tax clearance to be attached to each payment voucher. Hence, we shall include valid business registration certificates and tax clearances to all payments as you have recommended. However, please see attached, contracts and job completion certificates. For the business registration certificates and tax clearances please review the box files attached to this response.*

Auditor General's Position

- 1.1.3.10 We acknowledge Management's subsequent submission of some documents after our audit execution and have adjusted the outstanding documents to be provided in the table below.
See table 3 for details.

Table 3

Payee	Description	Documents subsequently submitted	Outstanding Documents
2018/2019			
Robert Gbor	Payment for Consultancy Service	None	Contract, Performance/record of work done, bid evaluation reports and Job completion certificate.
Sylvanus P. Gabie	Payment for Consultancy Service	Contract and Job completion certificate.	Performance/record of work done and Bid Evaluation Reports
2019/2020			
DEEP	PIU Three Years Strategic Plan	Bid Evaluation Reports, Job completion certificate, Tax clearance and Business Registration	Contract and Performance/record of work done.
Prince Kruah	Legal services to PIU	None	Contract, Performance/record of work done, bid evaluation reports and Job completion certificate
Solution One	Training of Rural Dwellers	Contract, Bid Evaluation Reports and Job completion certificate	Performance/Record of Work Done.
Cape Automotive Solution	Maintenance of Vehicle	None	Payment voucher
James Lynch Monbo	Materials for VSAT construction.	None	Payment voucher
Cape Automotive Solution Inc.	Maintenance of Vehicle	None	Payment voucher
Elis Antoune Motor	Maintenance of Vehicle	None	Payment voucher

Payee	Description	Documents subsequently submitted	Outstanding Documents
2020/2021			
Absolute Solution	Consultancy / Training	Job Completion Certificate, and Business Registration.	Tax Clearance
Solution One	Payment for consultancy service	Contract and Job Completion Certificate	Performance/Record of Work Done, Tax Clearance and Business Registration.
Development Consultant	Payment for consultancy service	Contract, Job completion certificate and Business Registration.	Performance/Record of work Done and Tax Clearance
Corporate Services	Payment for consultancy service	Job completion certificate and Business Registration.	Performance/Record of Work Done and Tax Clearance
Liberia Connect	Payment for consultancy service	Job completion certificate & Business Registration.	Performance/Record of Work Done and Tax Clearance
Henry Law Firm	Payment for consultancy service	None	Performance/Record of Work Done & Job Completion Certificate.
Prince Kruah	Payment for consultancy service	None	Performance/Record of Work Done & Job Completion Certificate.
George Smart	Payment for consultancy service	None	Contract
Cape Automotive Solution Inc.	Payment for vehicle servicing	None	Contract
Lone Star MTN	Payment for scratch cards	None	Contract
Orange Liberia	Payment for scratch cards	None	Contract
Rent A Car	Payment for vehicle rental service	None	Contract
Speed Shop Garage	Payment for vehicle servicing	None	Contract
Sunu Assurances,	Payment for	None	Contract

Payee	Description	Documents subsequently submitted	Outstanding Documents
Ltd	vehicle insurance		
Thunder Bird Corporation	Payment for vehicle servicing	None	Contract
United Motor Company	Payment for vehicle servicing	None	Contract
Zenith Multipurpose Company	Payment for vehicle rental service	None	Contract

1.1.4 Spending in Excess of Approved Procurement Plan

Criteria

- 1.1.4.1 Section 40. (1) (2) of the PPCA of 2005 states "All Procuring Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act". "The procurement plan to support the Procuring Entity's approved program and budget shall indicate - (a) Contract packages (b) Estimated cost of each package (c) The procurement method:'
- 1.1.4.2 Regulation E.13 (1 and 2) of the PFM Act of 2009 as restated in 2019 states: "(1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority. (2) The accompanying memorandum shall explain how the extra costs became necessary".

Observation

- 1.1.4.3 During the audit, we observed that Management expended in excess of its approved procurement plans for the periods ended 2019, 2020 and 2021 without evidence of updated procurement plans or request for no-objection for transactions not included in the approved procurement plans. **See table 2 summary and Annexure 3 for details.**

Table 2: Spending in excess of approved Procurement Plan

Period	Cash Book Amount A	Approved Procurement Plan Amount US\$ B	Excess Payments C=A-B	Percent (%) D=(C/A)
2018/2019	60,971.00	21,000.00	39,971.00	190.34%
2019/2020	287,492.75	175,403.20	112,089.55	64%
2020/2021	167,126.85	75,780.00	91,346.85	121%

Risk

- 1.1.4.4 Management may be non-compliant with the PPC Acts of 2005 as amended and restated 2010.

- 1.1.4.5 Management may be non-compliant with the approved procurement methods which may impaired the achievement of value for money.

Recommendation

- 1.1.4.6 Management should account for the expenditure in excess of the approved procurement plan limits without evidence of updated procurement plans for the periods or request for no-objection for transactions not included in the approved procurement plans.
- 1.1.4.7 Management should ensure that expenditure is within the approved procurement plan limits at all times. All unplanned procurement activities and expenditures should be subsequently submitted to the PPCC for approval before execution. Evidence of subsequently approved procurement plans, approved no-objection requests and all other relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.4.8 *Agree. The updated, amended, and approved Procurement Plans were not previously provided for which the above variances were identified by the auditors because they had been misfiled; they have now been found and are available for the auditor's review. Please See attached all updated procurement plans.*

Auditor General's Position

- 1.1.4.9 We reviewed the Updated Procurement Plans subsequently submitted by Management after our audit execution. Therefore, we have adjusted the Spending in Excess of Approved Procurement Plan to US\$63,898.80 (US\$112,089.55 – US\$48,190.75) to be accounted for by Management for FY 2019/2020. Additionally, Management's did not provide supporting documentary evidence for spending in excess of approved procurement plan for FY 2020/2021. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.4.10 However, Management's provision of documents after our review, does not guarantee Management effective control of document management.
- 1.1.4.11 Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.
- 1.1.4.12 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

1.1.5 Payment not Recorded in the Correct Period.

Criteria

- 1.1.5.1 Regulations I.16 (2) of the Public Finance Management (PFM) Act of 2009 states that "The receipts and payments that belong to a period or a financial year other than the reporting period or financial year, shall be shown in the accounts and the details shall be given in the notes to the accounts".
- 1.1.5.2 Regulations A.3 (1) of the PFM Act of 2009 states" 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".

Observation

- 1.1.5.3 During the audit, we observed that Management procured fuel totaling US\$6,149 from Super Petroleum for vehicles, generators and individual employees. The voucher was raised and check issued on June 3, 2019 but the transaction was recorded in the cash book on July 12, 2019, the same date the fuel was delivered.

Risk

- 1.1.5.4 Expenditure maybe misstated: under/over stated. This may lead to misstatement of the financial statements.
- 1.1.5.5 Mis-posting of transactions in the wrong accounting period may result in improper reconciliation of budget vs actual analysis.
- 1.1.5.6 Mis-posting of transactions in the wrong accounting period may facilitate fraudulent financial reporting especially if the preparer of the financial statements intends to conceal over/under utilization of expenditures.

Recommendation

- 1.1.5.7 Management should adjust the financial statements to record the expenditure in its actual accounting period and submit same to the Office of the Auditor General for validation.
- 1.1.5.8 Management should facilitate routine training of staff on data entry posting and timing for recording of transactions.
- 1.1.5.9 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created among the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.1.5.10 *Management acknowledges the observation and recommendations. However, the voucher is traceable to the Fiscal Year 2019/20 where it was accounted for in the financial reports. Therefore, we have adjusted the financial statements, trail balance, general ledger to reflect the actual accounting period.*

Auditor General's Position

- 1.1.5.11 We acknowledge Management's acceptance of our findings and recommendations and subsequent adjustments of the financial statements.

1.1.6 Non-retirement of Foreign Travel DSA

Criteria

- 1.1.6.1 Count 1 of the GOL Revised Travel Ordinance 2016/2017 on Foreign Travel states that "All foreign travels for official business for all cabinet Ministers, heads of agencies and commission shall be authorized by the Office of the President or their boards; and for Deputy and Assistant Ministers and its equivalents in agencies and commission, the respective heads of institutions shall communicate with the Office of the President on such approval. All other travels of non-commissioned staff, civil servants and consultants shall be approved by the Head of Institutions subject to the availability of funds in the travel budget".
- 1.1.6.2 Count 31 of the GOL Revised Travel Ordinance 2016/2017 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."

Observation

- 1.1.6.3 During the audit, we observed that an amount of US\$24,718.00 was paid as DSA and means of travel to individual for foreign travels without evidence of approval, retirement and travel settlement form for FY 2019/2020. **See table 4 for details.**

Table 4: Non-retirement of Foreign Travel DSA

Date	Payee	Transactions	Amount \$US	Comment (s)
29-Oct-19	Henry Nah	Foreign Travel to Egypt	4,116.00	No evidence of approval, incidental retirement, travel settlement form & invitation.
29-Oct-19	Cooper Kruah	Foreign Travel to Egypt	2,467.50	
30-Oct-19	James Lynch Monbo	Foreign Travel to Egypt	4,116.00	
09-Nov-19	Ivan G. Browne	Foreign Travel to Egypt	4,935.00	
12-Nov-19	Israel Akinsanya	Foreign Travel to Egypt	2,467.50	
13-Nov-19	Emmanuel J. Payegar	Foreign Travel to Egypt	4,116.00	
12-Dec-19	Isaac B. Roland	Foreign Travel to Egypt	2,500.00	
Total			24,718.00	

Risk

- 1.1.6.4 Failure to retire travel advances paid as DSA may lead to misapplication and misappropriation of project's fund.
- 1.1.6.5 Expenditure may be misstated in the financial statements.
- 1.1.6.6 The authenticity of the transactions may be impaired.
- 1.1.6.7 Management may be non-compliant with GoL revised Travel Ordinance.

Recommendation

- 1.1.6.8 Management should account for travel expenditure disbursed without adequate supporting documents.
- 1.1.6.9 Management should ensure that all travel advances are adequately retired with the original copies of receipts and activities reports to justify the regularity of the transactions.
- 1.1.6.10 Evidence of travel forms, original copies of receipts and travel activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.6.11 *All supporting documentations relative to foreign travel were not previously provided for which the above finding was elevated by the auditors because they had been misfiled; they have now been found and are available for the auditor's review. Please See attached all documents relative to foreign travel.*

Auditor General's Position

- 1.1.6.12 We reviewed the documents subsequently submitted by Management, after our audit execution. Therefore, we have adjusted Non-retirement of Foreign Travel DSA to US\$20,602.00 (US\$24,718.00 – US\$4,116.00) to be accounted for by Management.

See table below.

Table

Date	Payee	Transactions	Amount US\$
29-Oct-19	Henry Nah	Foreign Travel to Egypt	4,116.00
29-Oct-19	Cooper Kruah	Foreign Travel to Egypt	2,467.50
09-Nov-19	Ivan G. Browne	Foreign Travel to Egypt	4,935.00
12-Nov-19	Israel Akinsanya	Foreign Travel to Egypt	2,467.50
13-Nov-19	Emmanuel J. Payegar	Foreign Travel to Egypt	4,116.00
12-Dec-19	Isaac B. Roland	Foreign Travel to Egypt	2,500.00
Total			20,602.00

- 1.1.6.13 However, Management's provision of documents after our review, does not guarantee Management effective control of document management.

- 1.1.6.14 Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.
- 1.1.6.15 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

1.1.7 Payment Made on Expired Tax Clearance & Business Registration

Criteria

- 1.1.7.1 Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 amended and restated in 2010 states that "Bids which are not complete, not signed, not accompanied by a bid security in the prescribed form, if one is required, or not accompanied by essential supporting documents such as business registration certificates, business licenses and tax receipts, or are substantially non-responsive to the technical specifications or contract conditions or other critical requirements in the bidding documents, shall be rejected and excluded from further evaluation and comparison".
- 1.1.7.2 Regulations P.9 (2) of the Public Finance Management (PFM) Act of 2009 states "payments expect for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

Observation

- 1.1.7.3 During the audit, we observed that Management authorized payments amounting to US\$25,000.00 to Corporate Services International without evidence of valid tax clearance and Business Registration Certificates for FY 2018/2019 & 2019/2020. **See table 5 for details.**

Table 5: Payment Made on Expired Tax Clearance & Business Registration

No	Voucher Date	Check #	Payee	Description	Amount (US\$)
1	June 28, 2019	'00071252	Corporate Services International	Payment for consultancy / Training	15,000.00
2	November 22, 2019	'00071262	Corporate Services International	Payment for consultancy / Training	10,000.00
Total:					25,000.00

Risk

- 1.1.7.4 Management's failure to obtain valid Tax Clearance & Business Registration Certificates from vendors may deny Government of the needed tax revenues.
- 1.1.7.5 Management may be non- Compliant with Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 amended and restated in 2010.

- 1.1.7.6 In the absence of valid business registration and tax clearance certificates, payment may be made to illegitimate vendors leading to loss of much needed tax revenue.

Recommendation

- 1.1.7.7 Management should ensure that for all transactions involving procurement of goods and services, valid Tax Clearance and Business Registration Certificates are obtained as required by Part U.9. (4) of the Public Financial Management (PFM) Regulation of 2010 and Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 amended and restated in 2010.
- 1.1.7.8 Evidence of valid business registration and tax clearance certificates should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.7.9 *Management acknowledged the observation, and the recommendations will be implemented.*

Auditor General's Position

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

1.1.8 Non-Existence of UAF Website

Criteria

- 1.1.8.1 DSS06.06 of CoBit 5 Secure information assets states that "Secure information assets should be accessible by the business through approved methods, including information in electronic form (such as methods that create new assets in any form, portable media devices, user applications and storage devices), information in physical form (such as source documents or output reports) and information during transit. This benefits the business by providing end-to-end safeguarding of information".

Observation

- 1.1.8.2 During the audit, we observed that for FY 2019/2020 Management made payment in the amount of US\$5,500.00 to Dynamic Solution for the development of a website. However, we observed no evidence that the website was subsequently developed based on the non-functionality of the web address (www.uafliberia.org) provided by the PIU.

Risk

- 1.1.8.3 Payment may be made for goods not delivered or services not performed.
- 1.1.8.4 The absence of a functional website may impair visibility, accessibility and information dissemination about the UAF project activities. This may impair the achievement of the project objectives.

Recommendation

- 1.1.8.5 Management should provide substantive justification for facilitating payment to a vendor without evidence of service delivery.
- 1.1.8.6 Management should liaise with the Management of Dynamic Solution to ensure that the dormant web page is made functional. Management should also facilitate the continuous operationalization of the web page to promote visibility, accessibility and information dissemination about the UAF project activities.
- 1.1.8.7 Going Forward, Management should ensure that all goods and services paid for are subsequently delivered consistent with approved terms and conditions of the transactions.

Management's Response

- 1.1.8.8 *Management wishes to clarify the existence and functionality of the website. However, we have realized that the address (www.uafliberia.org) provided to the auditors was the first email address that was squashed by the Implementation Committee thus resulting into a new email address. This can be validated by login to www.universalaccessfund.com.*

Auditor General's Position

- 1.1.8.9 We acknowledge Management's assertions and subsequently validated the operationalization of a functional website for the UAF (www.universalaccessfund.com).
- 1.1.8.10 Going forward, Management should ensure that information requested for audit purposes are provided in an accurate and timely manner.

1.1.9 Non-adherence to K-Net Liberia Limited Contract

Observation

- 1.1.9.1 Section 11.1 of the Service Contract for the Supply & Installation of Rural Telephony (RT) Solution in the Republic of Liberia between the Universal Access Fund (Under the Liberia Telecommunications Authority) and K-Net Liberia Limited states that "The Parties, following review of the necessary Equipment for the implementation of the RT Solution contained in Annex "B" to meet the Key Performance Indicators (KPI) in Annex "C" as well as the technical manpower for the realization of the installation and operationalization of the setup and considering training for the Client's personnel to take delivery of the installations do hereby agree and stipulate the value of the contract shall be Two Million Five Hundred Thousand US Dollars (\$2,500,000)".

Annex "E" Payment terms:

- First payment of \$600,000 on or before 30th November 2021
- Second payment of \$200,000 by 31st January 2022
- Third payment of \$600,000 by 30th June 2022
- Fourth payment of \$600,00 by 31st January 2023
- Fifth payment of \$500,000 by 31st January 2024

- 1.1.9.2 Also, Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (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:
- a) Ensuring that the contractor complies with the specifications and terms of the contract;
 - b) Ensuring that the contract is being performed on schedule;
 - c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract.

Observation

- 1.1.9.3 During the audit, we observed that the PPCC rendered "No Objection" for UAF to award contract to K-NET Liberia Limited for fifteen (15) Rural Telecommunications Base Stations and a Teleport around Liberia in consonance with the estimated cost of US\$1,800,000.00 as stipulated in the approved procurement plan. However, the contract value presented for audit purposes amounted to US\$2,500,000; thus, resulting into a difference of US\$700,000.00 for FY 2020/2021.
- 1.1.9.4 Also, we observed no evidence that a copy of the final contract was submitted to the PPCC for validation and reporting as required by the PPCA.

Risk

- 1.1.9.5 Payment may be made in excess of approved contract leading to misappropriation of the project's funds.
- 1.1.9.6 In the instance of breach of terms of contracts, the requisite documentation to facilitate litigation may not be available. This may lead to financial and/or reputational losses.
- 1.1.9.7 Payments may not be consistent with the approved terms and conditions. This may lead to dispute, breach of contract, litigation, financial losses and/or reputational damages thus impairing the value for money.

Recommendation

- 1.1.9.8 Management should provide substantive justification for not complying with the recommendation for amendment proposed by the PPCC.
- 1.1.9.9 Going forward, Management should ensure that all procurement processes are followed consistent with the PPC and the Public Finance Management Acts.

Management's Response

- 1.1.9.10 *Management submitted two separate budgets (Procurement Plans) to the PPCC with the amounts of \$1,000,000.00 and \$800,000.00 respectively; and based on that the PPCC approved \$1,800,000.00 and suggested that we could submit the \$700,000.00 in part or whole in subsequent budgets/procurement plans for approval along with a progress or evaluation report of the project to the PPCC.*

Auditor General's Position

- 1.1.9.11 Management's assertions were not supported by documentary evidence. Management did not submit the two separate budgets (Procurement Plans) for audit purposes as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.10 Bank Transactions not Traced to Cash Book

Criteria

- 1.1.10.1 Paragraph 1.5.2 of the Cas Basis IPSAS as adopted by the Government of Liberia in 2009 requires that financial statements shall present information that is:
- a) Understandable;
 - b) Relevant to the decision-making and accountability needs of users;
 - c) Reliable in that it: 1(i) Represents faithfully the cash receipts, cash payments and cash balances of the entity and the other information disclosed; 1(ii) Is neutral, that is, free from bias; and 1(iii) Is complete in all material respect.
- 1.1.10.2 Additionally, Paragraph 1.3.33 (5), of the IPSAS cash basis of accounting requires the maintenance of complete and accurate accounting records during the reporting period is essential for timely production of the general-purpose financial statements.
- 1.1.10.3 Regulation O.24 of the PFM Act of 2009 states that "(1) A head of Government Agency shall ensure that his accounts are properly maintained and are correct at all times. (2) A head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or receipts or original documents to verify the correctness of the transactions.

Observation

- 1.1.10.4 During the audit, we observed that transactions per the bank statements amounting to L\$ 78,012,352.81 and L\$13,809,068.00 representing receipts and payments respectively could not be traced to the Cashbook for the FY 2020/2021. **See Annexure 4 for details.**

Risk

- 1.1.10.5 The completeness and accuracy of receipts and payments may not be assured. Therefore, the financial statement may be misstated.
- 1.1.10.6 Management may not account for all its transactions. This may facilitate fraudulent financial reporting.

Recommendation

- 1.1.10.7 Management should account for transactions in the bank statements that were not recorded in the cashbook.

- 1.1.10.8 Management should perform periodic (monthly) reconciliation between the bank statements and the cashbook. Variances identified should be investigated and adjusted where applicable in a timely manner.
- 1.1.10.9 Going forward, Management should perform monthly reconciliation between the bank statements and the cash book. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports along with all relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.10.10 *Disagree: All transactions specified in annexure 4 were captured in the cashbook. Please note that our reporting currency is in USD. However, please see attached the cashbook for the auditors' review and consideration.*

Auditor General's Position

- 1.1.10.11 Management's assertions did not adequately address the issues raised. We reviewed the document purported as Liberian Dollars cashbook containing transactions from an undisclosed GT Bank (LD) Account. Based on our review of the financial statements, we maintain that the GT Bank LD Account and the related transactions were not reported in the financial statements. Therefore, we maintain our finding and recommendations.

1.1.11 Payment above Contract Term

Criteria

- 1.1.11.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (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 contractors are in accordance with the terms of the contract.
- 1.1.11.2 Also, paragraph five of the Professional Service Contract for Management Consultancy Services signed on the 18th of May 2020 in favor of Solution One LLC states that "For the services rendered pursuant to this agreement, the Contractor shall be paid United States Dollars Five Thousand (\$5,000 USD) agreed amounts/cost quota on proforma invoices for services as requested by UAF/PIU, LTA project".

Observation

- 1.1.11.3 During the audit, we observed that Management made payments amounting to US\$30,000.00 to Solution One LLC rather than the total contract price of US\$5,000.00 thus resulting into an overpayment in the amount of US\$25,000.00 for the FY 2020/2021.

Risk

- 1.1.11.4 Payment may be made in excess of approved contract leading to misappropriation of the project's funds.
- 1.1.11.5 In the instance of breach of terms of contracts, the requisite documentation to facilitate litigation may not be available. This may lead to financial and/or reputational losses.
- 1.1.11.6 Payments may not be consistent with the approved terms and conditions. This may lead to dispute, breach of contract, litigation, financial losses and/or reputational damages thus impairing the value for money.

Recommendation

- 1.1.11.7 Management should account for excess payment disbursed above the approved contract terms.
- 1.1.11.8 Going forward, Management should ensure that all procurement activities are followed consistent with approved terms and conditions of the transactions, approved contracts where applicable, and the PPC and the PFM Acts.

Management's Response

- 1.1.11.9 *Agree. However, the variance identified came as a result of an error in preparing the contract which was not deliberate. Even before your observation, we have since taken note of such anomaly and put in place additional control measures that are intended to detect and prevent a repeat of this occurrence. Again, due to relocation of our office space within the LTA, the amended contract was misplaced in another contract file. However, please see attached the amended contract for your review and consideration.*

Auditor General's Position

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

1.1.12 Budget Irregularities

Criteria

- 1.1.12.1 Regulation D.13 (2) of the PFM Act of 2009 requires that "Revenue and expenditure estimates as approved by Legislature shall be arranged according to the Government of Liberia budget classification or Chart of Accounts as well as any other classification approved by the Minister".
- 1.1.12.2 Part II Sections 10.8 & 10.10 of the Approved Regulations on the Universal Access Fund states that "The Budget shall include a forecast of the costs reasonably and necessarily associated with the due and proper administration of the Board and the Committee (including the PIU), which shall be covered by the Fund, and shall not exceed 15% of the annual contributions to the Fund in the first two years of operation and shall not exceed 10% of the

annual contributions thereafter whereas, (10.10) The Budget shall be approved on an annual basis by the National Legislature as part of the National Budget approval process”.

Observation

- 1.1.12.3 During the audit, we observed the following irregularities associated with the project’s budget presented for audit for FY 2018/2019:
- There was no evidence that the budget had a revenue component.
 - There was no evidence as to how the 15% (US\$306,691.05) was obtained for operational cost in the absence of a revenue component.
 - No evidence that the budget was approved by the National Legislature as required.

Risk

- 1.1.12.4 In the absence of revenue component of the budget, revenue may not be reliably projected, measured and subsequently reported. This may lead to under receipt of budgeted revenue.
- 1.1.12.5 Periodic Budget Performance Reports may not be prepared adequately or in a timely manner. Management may be non-compliant with Regulation D.13 (2) of the PFM Act of 2009 as amended and restated 2019.
- 1.1.12.6 In the absence of approval by the National Legislature, revenue and expenditure projection may be made on a discretionary basis. This may lead to under receipt of revenue and/ or over expenditure.

Recommendation

- 1.1.12.7 Management should facilitate the comprehensive compilation of annual budget to include realistic projections of revenue and expenditure based on trends, and projected annual activities.
- 1.1.12.8 Subsequently, Management should facilitate the approval of the annual budget by the National Legislature consistent with Part II Sections 10.8 & 10.10 of the Approved Regulations on the Universal Access Fund.
- 1.1.12.9 Going forward, Management should facilitate the preparation, review and approval of quarterly and annual Budget Performance Reports. Periodic Budget Performance Reports should be subsequently submitted to the National Legislature as required by the PFM Act of 2009 as amended and restated 2019.
- 1.1.12.10 Periodic Budget Performance Reports should be reviewed for decision making purposes. Under receipt of revenue and/or over disbursement of expenditures in a given quarter should trigger improved collection of revenue and adjustment (reduction) of expenditures in subsequent quarters.
- 1.1.12.11 Evidence of approved annual budget, periodic budget performance reports and all other supporting records should be adequately documented and filed to facilitate future review.

Management's Response

1.1.12.12 *Management acknowledged the observation and the recommendations will be implemented.*

Auditor General's Position

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

1.1.13 Non-Adherence to Procurement Planning

Criteria

- 1.1.13.1 Section 40. (1) (2) of the PPCA of 2005 as amended in 2010 states "All Procuring Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act". "The procurement plan to support the Procuring Entity's approved program and budget shall indicate - (a) Contract packages (b) Estimated cost of each package (c) The procurement method:'
- 1.1.13.2 Section 43.9 of the PPCA of 2005 as amended in 2010 states: "procuring entity shall forward to the Public Procurement & Concessions Commission (PPCC) on a quarterly basis a report for monitoring and evaluation purposes of the contracts awarded during the preceding quarter".

Observation

- 1.1.13.3 During the audit, we observed that the Governance Board of the UAF approved the amount of US\$50,000.00 for the purchase of three (3) vehicles for use by the Project and Implementation Unit (PIU). Contrary to the above, Management purchased two (2) vehicles with the approved amount stipulated above without evidence of a board resolution for FY 2018/2019.
- 1.1.13.4 Also, we observed no evidence that Management prepared and submitted to the PPCC, periodic (quarterly and annual) procurement activities report.

Risk

- 1.1.13.5 In the absence of an approved Board resolution for changes in planned procurement activities, the entity's procurement processes may be discretionary. This may impair the achievement of value for money.
- 1.1.13.6 In the absence of periodic procurement activities report, Management may be non-compliant with the PPC Act and impair effective monitoring and evaluation of procurement activities of the project by the PPCC.

Recommendation

- 1.1.13.7 Management should liaise with and obtain approval from the Governance Board for changes in planned procurement activities. Changes in planned procurement activities approved by the Governance Board should be subsequently submitted to the PPCC for approval.

- 1.1.13.8 Management should facilitate the preparation and submission of periodic procurement activities reports to the PPCC in a timely manner as required by the PPC Act.
- 1.1.13.9 Evidence of Board and PPCC approvals to changes in procurement activities and periodic procurement activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.13.10 *We acknowledge the observation and recommendations. Going forward we will take corrective measures.*

Auditor General's Position

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

1.1.14 No Petty Cash Expenditure Report

Criteria

- 1.1.14.1 Regulation B.33 (4) of the PFM Act of 2009 states that "In terms of this regulation, the maximum amount that may be held as petty cash in any one calendar month, is the equivalent of Two Hundred United States Dollars."

Observation

- 1.1.14.2 During the audit, we observed that Management expended the total of US\$12,000.00, US\$12,000.00 and US\$54,000.00 on an annual basis for petty cash expenditure during the periods ended 2019, 2020 and 2021 respectively without evidence of petty cash replenishment reports.
- 1.1.14.3 Furthermore, we observed no evidence of an approved petty cash policy.

Risk

- 1.1.14.4 The absence of a petty cash expenditure report may lead to misapplication and misappropriation of petty cash funds.
- 1.1.14.5 In the absence of petty cash policy, the nature and threshold of petty cash expenditure may be determined on a discretionary basis. This may lead to non-compliance of the required procurement methods for some transactions.

Recommendation

- 1.1.14.6 Management should account for expenditure made without petty cash replenishment reports.
- 1.1.14.7 Management should develop, approve and operationalize a petty cash policy to regulate petty cash management of the project. The policy should include provisions for the following:
- Nature of petty cash transactions

- The size of the petty cash/imprest
- The threshold of petty cash transactions
- The custodian and safe of petty cash
- Activities over processing petty cash and disbursement of petty cash transactions
- Activities over replenishment of petty cash

- 1.1.14.8 The policy should be periodically reviewed and where applicable updated to reflect the current operational activities of the institution.
- 1.1.14.9 Management should facilitate the timely and comprehensive liquidation of petty cash expenditure through the presentation of petty cash expenditure report before subsequent disbursement of petty cash expenditure is initiated.
- 1.1.14.10 All relevant supporting documents including approved petty cash policy, payment vouchers for petty cash disbursement and periodic replenishment reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.14.11 *Management differs with the auditor's observation because all of the reports relative to petty cash transactions have been prepared and filed since the inception of the UAF project. Management did provide copies of the report at the inception of the audit engagement. For the petty cash policy, please review the UAF financial handbook.*
- 1.1.14.12 *However, management is pleased to resubmit copies of the reports covering the periods under audit for your review.*

Auditor General's Position

- 1.1.14.13 We reviewed the Petty Cash Expenditure Reports subsequently submitted by Management, after our audit execution.
- 1.1.14.14 However, Management's provision of documents after our review, does not guarantee Management effective control of document management.
- 1.1.14.15 Going forward, Management should ensure that requested documents for audit purpose are submitted in a timely manner.
- 1.1.14.16 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

1.2 Compliance Issues

1.2.1 Irregularities noted with K-Net Contract

Criteria

- 1.2.1.1 Section 4.9 of the service contract signed between the Universal Access Fund and K-Net Liberia states that "Within Seven (7) business days of the completion of contract negotiation and the signing of this Service Contract, The Client shall issue a Purchase Order (PO) to The Service Provider for all fifteen (15) sites across the country".
- 1.2.1.2 Sections 7.6 & 7.7 "At the end of the 45-day test period, when the RT Solution is determined to be fully operational, fit for use, and has been satisfactorily utilized by The Client, The Client shall issue a Certificate of Acceptance to the Service Provider. 7.7 The Certificate of Acceptance shall carry the Date of Acceptance and shall entitle The Service Provider to payment for the installation or justification of payment if payment is made in advance for any Site".
- 1.2.1.3 Section 8.3 "Provide security to Project materials and personnel".
- 1.2.1.4 Sections 8.5 & 8.6 "Apply for and obtain approval for all building plans and civil engineering works necessary for the installation of the RT Solution from the relevant authorities; 8.6 Procure the necessary infrastructure installer license for the first year as may be required to implement this Service Contract".
- 1.2.1.5 Section 9.2 "Recruit qualified Liberian nationals for positions to be selected by the Service Provider consistent with the Decent Work Act of 2015".
- 1.2.1.6 Section 10.1 "The Client shall provide manpower to be trained to manage and operate the sites after the sites are handed over by the Service Provider".
- 1.2.1.7 Section 12 "The Service Provider shall, in respect of the RT Solution provide the English version of the operating and technical manuals/documentation, License Service Contracts/ certificates to The Client prior to Acceptance.
- 1.2.1.8 Section 7.1 of the Project Contract Agreement signed between UAF and K-net states "The Service Provider shall install, operate and maintain the RT Solution platform for a period not exceeding 30 days from the date of completion of installation of each Site. During this period, the service and functioning of the RT Solution shall be assessed by The Service Provider to ensure that it meets Key Performance Indicators (the "KPIs") set out in Annex C of this Service Contract and document the results in a report, which shall include detailed test documentation to be supplied to The Client (The "Verification Test Report")

Observation

- 1.2.1.9 During the audit, we observed the following irregularities associated with the contract for the supply and installation of Rural Telephony (RT) Solution in the Republic of Liberia for the FY 2020/2021:
- No evidence that the Service Provider submitted purchase order for all fifteen sites across the country.
 - No evidence that the UAF issued Certificate of Acceptance.
 - No evidence that UAF provided/hired security firms.
 - No evidence that UAF applied for and obtained approval for all building plans and civil works from the relevant authorities.
 - No evidence that UAF procured the necessary infrastructure installer license for the first year.
 - No evidence that UAF ensured that K-net recruited qualified Liberian nationals.
 - No evidence that UAF provided manpower to be trained to manage and operate the sites after the sites are handed over.
 - No evidence that the Service Provider submitted to UAF the English version of the operating/technical manuals/documentation.
- 1.2.1.10 Also, we observed no evidence of the following bid documentations for the procurement of the contract awarded to K-Net Liberia Limited:
- Invitation to bidders
 - Cover letter
 - Procurement committee minutes
 - Bid evaluation report
 - Bidders' submission
 - Bid opening minutes
 - Communication to bidders
- 1.2.1.11 Additionally, during the audit field verification, we observed that the erection and installation of towers to host the two main Platforms (Voice and Data and Internet Site) were erected for the underserved privileged residence of Gbaquoita, Gbarpolu County and Parluken, Grand Kru County as the Proof of Concepts (POC) respectively. These towers were commissioned and turned over to the Government of Liberia (GoL) after they were asserted to be tested and proven workable by the Absolute Solution Inc. However, during our physical verification, we could not ascertain whether the towers were functional due to the lack of signal on our mobile phones at sites near the towers. We could not make calls, send text messages nor browse the internet due to lack of signal.
- 1.2.1.12 Also, as part of our audit procedure, we interviewed community dwellers in both counties who are direct beneficiaries of the projects. According to them "since the commissioning and turning over of the towers to the Government of Liberia, the towers have not served and are not serving the purpose for which the towers were constructed and commissioned.

- 1.2.1.13 Residents of both counties complained of the lack of network coming from the constructed towers and that the only means of communication is through a Lone Star MTN booster installed by a private company called African Mobile Network (AMN)“.



Gbaquoita Site, Gbarpolu County



Parluken Site, Grand Kru Co.



Lonestar Booster

Risk

- 1.2.1.14 Failure to comply with terms and conditions of the contract may impair the achievement of value for money and the contract objectives.
- 1.2.1.15 Ineffective monitoring and evaluation of contract activities may lead to breach of contract and the non-achievement of project activities.
- 1.2.1.16 Non-provision of service delivery to the beneficiaries of the project may lead to reputational damage.

Recommendation

- 1.2.1.17 Management should provide substantive justification why the above terms and conditions of the approved service contract were not implemented.
- 1.2.1.18 Going forward, Management should facilitate full compliance to the terms and conditions of approved contract. Management should facilitate periodic monitoring and evaluation of contract activities and bring to the attention of the contractors any non-compliance/ contract liability defect observed for immediate rectification. In instances where the contractor fails to rectify breaches or non-compliance issues, Management should seek legal remedies to enhance full compliance. Payment terms should be aligned with the terms and conditions of the service contract.
- 1.2.1.19 Management should solicit periodic feedback from beneficiaries of the project to aid in its monitoring and evaluation activities. In instances where negative feedbacks were obtained and subsequently resolved, Management should update the beneficiaries about progress made accordingly.

Management's Response

1.2.1.20 Management will like to respond in the following orders:

- *KNET submitted a purchase order for all 15 site and a teleport in Monrovia value at US\$2,500,000.00. We are attaching a copy of the PO for your consideration.*
- *Agreed. However, the UAF did not need to hire a security firm because the UAF collaborated with other government institutions (LBS & LIBTELCO) to provide safe space for the storing of the materials for the Liberia Rural Telephony Projects. Those facilities have 24 hours security presence and as such there was no need for an extra security firm. At the level of the towns/communities where the base stations are built, the UAF and the leadership of those communities have MOUs that the security of the towers is the responsibility of the communities.*
- *Management acknowledges this observation and will take the necessary steps in ensuring that such approvals will be gotten from the relevant authorities.*
- *The UAF through its Implementation Committee Chairman requested a waiver from the LTA Board of Commissioners for the installer license and the same was granted. Please find attached copy of the waiver.*
- *Management acknowledges this observation and is currently working with KNET to ensure that qualified Liberians are recruited.*
- *Management Knowledges this observation. Management needs to hire manpower to provide the same for training. Due to the stringent fiscal space that the UAF has, it has proven very difficult to implement this. However, Management is currently evaluating how this can be resolved; i.e to hire the personnel that will be trained to manage and operate the technical aspect of the site after handover.*
- *Pursuant to the service contract, KNET is still constructing and operating the sites. Upon handover the Service Provider will hand over all the documentation and operating/technical manual to the U.*
- *Disagreed: Management presented to the PPCC all relevant documentations mentioned above before the approval was granted to award contract to K-NET Liberia Limited. As a matter of fact, the PPCC Executive Director was put in copies of all emails to ensure that all the right processes were followed leading to the awarding of the service contract. However, please find attached all bid documentations for your reviewed.*
- *Management acknowledges instances when there are outages on the sites either due to power outages and bad weather conditions that affect satellite broadcast but like to point out that there have been calls, SMS and minimal data coverage on ALL the sites. It is also noteworthy to point out that the sites are broadcasting within a certain radius 2.2 meters and not in the entire landscape of the town or community.*

- In 2023, to ascertain as to whether the sites were on and broadcasting the UAF and the only MNO (Lonestar) that is interconnected embarked on an exercise and it was reconciled that over 8 million calls were made on 12 rural sites between June 2022 and September 2023. We are attaching the site network performance for your consideration.

Auditor General's Position

- 1.2.1.21 Management's assertions did not adequately address the issues raised and were not supported by documentary evidence. Documentation such as Purchase orders (PO), Bid documents, Certificate of Acceptance etc requested where applicable were not provided for audit purposes. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.2 Non-Preparation of Bank Reconciliation

Criteria

- 1.2.2.1 Regulations C.8 (4a) of the PFM Act of 2009 as amended and restated 2019 states that "The head of agency or spending unit shall manage and reconcile the bank accounts authorized for the agency. This is done to ensure accuracy and accountability for all cash and bank transactions. It is also intended to detect and remedy frauds and errors on the bank statements".

Observation

- 1.2.2.2 During the audit, we observed that Management did not prepare bank reconciliation statements for its bank account (001USD21322295401 and 0322522/001/0001/000) maintained at the Liberia Bank for Development and Investment (LBDI) and GT Bank respectively for FYs 2018/2019, 2019/2020 and 2020/2021 respectively.

Risk

- 1.2.2.3 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud.
- 1.2.2.4 Management may not fully account for its transactions.

Recommendation

- 1.2.2.5 Management should ensure that monthly bank reconciliation reports are prepared for its account established by the entity.
- 1.2.2.6 Monthly bank reconciliation statements should be prepared and approved by staff with the relevant qualification, experience and seniority.
- 1.2.2.7 Monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.8 *Management wishes to clarify that bank reconciliations for the periods under audit was provided to the audit team which could be an oversight by the auditors. However, we are pleased to re-submit soft copies of the bank reconciliations for the auditor's review.*

Auditor General's Position

- 1.2.2.9 We acknowledge Management subsequent submission of some documents in response to our audit finding: Non-preparation and Submission of Bank Reconciliation Statements. However, upon review of documents submitted, we observed no evidence of documentation of opening bank account balances, provision for addition of deposits in transit and subtraction of unpresented checks, as required for the preparation of Bank Reconciliation Statements. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.3 Irregularities Associated with Fixed Asset Management

Criteria

- 1.2.3.1 Regulations V.4 (2) of the PFM Act of 2009 as amended 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."

Observation

- 1.2.3.2 During the audit, we observed the following irregularities associated with the Fixed Assets Management System during the periods under audit:
- There was no evidence of a fixed assets management policy.
 - Fixed assets register did not contain all the relevant columns and information.
 - There was no evidence of periodic physical verification of assets by Management
 - There was no evidence of movement of assets form.
 - Some fixed assets of the entity were not coded.
 - Fixed Assets within a given vicinity were not displayed in a fixed asset log as required by the PFM Act.

Risk

- 1.2.3.3 Fixed Assets balance in the financial statements may be misstated (Over/understated).
- 1.2.3.4 Fixed assets may be damaged or impaired but their values are still on the books.
- 1.2.3.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.2.3.6 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.

- 1.2.3.7 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.
- 1.2.3.8 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

- 1.2.3.9 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.
- 1.2.3.10 Management should set assets value to be recorded, developed and maintained.
- 1.2.3.11 Management should ensure that the fixed assets register is developed 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 assets.
- 1.2.3.12 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.
- 1.2.3.13 The Fixed Assets Register should be updated periodically to reflect all entity's assets.
- 1.2.3.14 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.2.3.15 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.
- 1.2.3.16 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

- 1.2.3.17 *Management acknowledges the auditors' observation and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.4 No Inventory Management

Criteria

- 1.2.4.1 Regulation A.3 (1) of the PFM Act of 2009 as restated in 2019 states: "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".

Observation

- 1.2.4.2 During the audit, we observed the following irregularities associated with the storeroom management system for the periods under audit:
- 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 entity.
 - There was no evidence of regular or surprised stock count by an independent senior officer during the period for the purpose of check and balances.
 - There was no secure storeroom for custody of assets procured.

Risk

- 1.2.4.3 Inventories may be misappropriated leading to decline in operational activities.
- 1.2.4.4 Failure to effectively maintain documentations for inventory receipt, storage, and distribution may lead to unauthorized and misappropriation of inventory.

Recommendation

- 1.2.4.5 Management should initiate and operationalize at least an excel based inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.
- 1.2.4.6 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.
- 1.2.4.7 All inventory records including records of stock-takes, should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.4.8 *Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.5 No Segregation of Duty

Criteria

- 1.2.5.1 According to COSO Framework 2011, paragraph 148, "senior management and the board of directors establish the organizational structure and reporting lines necessary to plan, execute, control and periodically assess the activities of the entity. This goal is to provide for clear accountability and information flow within and across the overall entity, and its subunits".

Observation

- 1.2.5.2 During the audit, we observed that the Assistant Procurement Officer also served as custodian/supervisor of the storeroom and the IT Officer. Additionally, we observed that the Project Coordinator also served as supervisor of the Human Resource function of the project. Further, the accountant prepared the bank reconciliation statements. However, we observed no evidence of review of bank reconciliation reports for the periods under audit.

Risk

- 1.2.5.3 Lack of segregation of duties of such key functions may impair check and balances, thereby, leading to misappropriation of the project's assets.

Recommendation

- 1.2.5.4 Management should facilitate competitive recruitment of experienced and qualified individuals to fill the gaps identified in key administrative functions: Human Resource Officer, Store Room Officer and IT Officer.
- 1.2.5.5 Additionally, the Junior Accountant should prepare the monthly bank reconciliation reports and forward same to the Accountant for review and approval. Evidence of approved bank reconciliation reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.5.6 *The UAF is a small project, still evolving and developing its operational and managerial functions. Budget issues are key holdups for adequate staffing. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.6 Irregularities Associated with Personnel Management

Criteria

- 1.2.6.1 Regulation T.3 of the PFM Act of 2009 as restated in 2019 states: "(1) The head of every Management Unit shall keep records of all Personnel Emolument of staff employed in his management unit, to ensure that: (a) payments are made as and when due; (b) overpayments are not made; (c) all required deductions are made at the correct time; (d) authorized establishments or manpower ceilings are not exceeded; (e) the amount of salary and other allowances authorized for payment to each staff is not exceeded; and (f) payments are not made on the payment voucher to staff who do not belong to the Agency or unit".

Observation

- 1.2.6.2 During the audit, we observed the following irregularities during the review of the project's personnel records for the periods under audit:
- The personnel listing did not include key information such as date of employment, job title/position, assigned department/section, identification number, qualification, sex, date of birth and basic salary of staff for easy verification and monitoring purposes.
 - There was no evidence that Management maintained daily attendance record for staff.
 - There was no evidence that the PIU performed spot check of personnel to verify their attendance and presence at job at all times.
 - There was no evidence that Management initiated a performance evaluation system for staff during the fiscal period.

Risk

- 1.2.6.3 The lack of a comprehensive personnel listing may impair effective monitoring of employees of the project.
- 1.2.6.4 Failure to monitor and supervise personnel attendance records may result to compensation of non-deserving employees. This practice may facilitate an inappropriate work culture at the entity and may subsequently affect the operation and performance of the project.
- 1.2.6.5 The lack of periodic performance appraisal may lead to unnoticed and/or consistent poor performance by staff thus impairing the objectives of the project.
- 1.2.6.6 In the absence of a documented performance evaluation system, employee's development plan may not be achieved thereby impairing the achievement of the project objectives.

Recommendation

- 1.2.6.7 Management should develop a comprehensive personnel listing to include the date of

employment, job title/position, assigned department/section, identification number, qualification, sex, date of birth and basic salary of staff as required. Subsequently, Management should perform monthly reconciliation between the personnel listing and payroll. Differences identified should be investigated and adjusted where applicable in a timely manner.

- 1.2.6.8 Management should ensure that personnel attendance records are regularly monitored by a designated staff. The PIU should initiate periodic spot check to ascertain the accuracy of attendance records.
- 1.2.6.9 Management should facilitate the conduct of periodic performance evaluations for all staff. Performance goals should be clearly defined and documented for all positions. Employees should be familiarized with performance goals and be given the opportunity to periodically evaluate themselves against set goals. Subsequently, performance managers/supervisors should evaluate the performance of assigned employees against set goals and update the employees about the result of the evaluation including areas of targeted development. Management should solicit post feedback from employees about the fairness of the performance evaluation system and make adjustments where applicable. Documentation for performance evaluation should be adequately filed to facilitate future review.

Management's Response

- 1.2.6.10 *The UAF is a small project, still evolving and developing its operational and managerial functions. Budget issues are key holdups for adequate staffing. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

- 1.2.6.11 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 Payment Vouchers not Numbered

Criteria

- 1.2.7.1 PFM Regulations Section P.9 paragraph (1) states "All disbursements or payments of public moneys shall be properly supported by prenumbered payment vouchers".

Observation

- 1.2.7.2 During the audit, we observed that all payment vouchers raised were not pre-numbered as required by the PFM Regulations for the periods under audit.

Risk

- 1.2.7.3 Payment vouchers not pre numbered may facilitate duplication of payments for the same transactions. This may lead to misappropriation of the project funds.

- 1.2.7.4 Effective review and reconciliation of payment vouchers may be impaired.

Recommendation

- 1.2.7.5 Management should facilitate the pre-numbering of all payment vouchers in a systematic and sequential order to ensure all transactions are uniquely identified.
- 1.2.7.6 All used and unused payment vouchers should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.7.7 *The UAF is a small project, still evolving and developing its operational and managerial functions. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.8 No Internal Audit Unit

Criteria

- 1.2.8.1 Regulation J-3 (1) of the PFM Act of 2009 as amended and restated 2019 requires that "There shall be established in each government agency or government organization an internal audit unit which shall constitute a part of that institution".

Observation

- 1.2.8.2 During the audit, we observed no evidence of an established and functional Internal Audit Unit for the periods under audit.

Risk

- 1.2.8.3 The absence of an Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.
- 1.2.8.4 Systems, controls and compliance activities may not be monitored, thereby impairing the achievement of the project's objectives.
- 1.2.8.5 External audit recommendations may not be implemented in a timely manner.

Recommendation

- 1.2.8.6 Management should establish a functional Internal Audit Unit to provide independent assurance on the effectiveness of the project's risk management, governance and internal control processes.

- 1.2.8.7 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of periodic risk assessments, internal audits and implementation of internal and external audit recommendations.
- 1.2.8.8 Periodic risk assessments and internal audit reports as well as evidence of implementation of internal and external audit recommendations should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.8.9 *The UAF is a small project, still evolving and developing its operational and managerial functions. Budget issues are key holdups for adequate staffing. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.9 Lack of Policies and Procedures

Criteria

- 1.2.9.1 Regulation A.15(1) of the PFM Act of 2009 as restated in 2019 states: "The head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless and wasteful 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".
- 1.2.9.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control framework on control activities states: "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.
- 1.2.9.3 Part II Section 5.12 of the Approved Regulations on the Universal Access Fund states that "The Committee shall establish an Operations Manual for the UAF that shall be reviewed annually and updated as appropriate. The Operations Manual shall specify the roles, responsibilities and functions of the Board, the Committee and the PIU consistent with these Regulations, and shall establish procedures for the selection of UA programs and projects".

Observation

- 1.2.9.4 During the audit, we observed that Management did not develop the following policies to guide its operations for the periods under audit:
- Human Resource Policy Manual
 - Financial Manual/Policy

- Risk Management Policy
- Fuel & Scratch Card Distribution Policy
- Procurement Policy & Procedures Manual
- Operational Manual
- Annual Implementation Plan

Risk

- 1.2.9.5 Failure to develop policies and procedures to guide the activities of the project may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the project's objectives.

Recommendation

- 1.2.9.6 Management should develop, approve and operationalize policies and procedures to regulate the activities of the project. The policies should be periodically reviewed and where applicable updated to reflect the current operational activities of the project.
- 1.2.9.7 Evidence of approved policies should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.9.8 *The UAF is a small project, still evolving and developing its operational and managerial functions. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.10 No Disaster Recovery Plan

Criteria

- 1.2.10.1 The Committee of Sponsoring Organization of the Treadway Commission (COSO) provides that, management of an entity should develop a disaster recovery plan that would describe how the entity is to deal with potential disasters. A disaster recovery plan comprises of the precautions taken so that the effects of a disaster will be minimized and the organization will be able to either maintain or quickly resume mission-critical functions. The disaster recovery plan must be approved by an appropriate authority.
- 1.2.10.2 During the audit, we observed no evidence that Management had developed a disaster recovery plan for the period under review. We could not therefore ascertain the basis on which management can minimize the effect of downtime and data loss for the periods under audit.

Risk

- 1.2.10.3 The failure to establish a disaster recovery plan may result in the complete loss of transaction data and information in the case where a negative event may occur.

Recommendation

- 1.2.10.4 Management should develop, approve and operationalize a disaster recovery plan to help mitigate the risk of loss of transaction data and information in the event of a negative occurrence.
- 1.2.10.5 Evidence of an approved disaster recovery plan should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.10.6 *The UAF is a small project, still evolving and developing its operational and managerial functions. However, Management acknowledges the auditors' observations and recommendations and will ensure full compliance in implementing the recommendations.*

Auditor General's Position

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

1.2.11 No Approved Organization Chart

Criteria

- 1.2.11.1 The Committee of Sponsoring Organizations (COSO) of the Treadway Commission Framework requires Board's oversight responsibilities including providing advice and direction to management, constructively challenging management, approving policies and transactions, and monitoring management's activities. Consequently, the board of directors is an important element of internal control. The board and senior management establish the tone for the organization concerning the importance of internal control and the expected standards of conduct across the entity

Observation

- 1.2.11.2 During the audit, we observed that Management did not have an approved organizational chart showcasing approved hierarchical structure/chain of command of the project and line of reporting.

Risk

- 1.2.11.3 The concepts of segregation of duties and check and balance may not be achieved which may impair effective coordination, reporting and the operations of the project.
- 1.2.11.4 A clearly defined reporting structure may not be established thereby impairing segregation of duties and checks and balances.

Recommendation

- 1.2.11.5 Management should develop, approve and operationalize an organizational chart that details established hierarchical structure, clearly defined reporting channels and authorities and responsibilities within the project. Evidence of approve organizational chart should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.11.6 *Management acknowledges the observations and recommendations and will ensure full implementation to the recommendations. This will be validated during the next audits.*

Auditor General's Position

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

1.2.12 Lack of Meeting Minutes

Criteria

- 1.2.12.1 Sections 5.7 & 5.9 of the Approved Regulations on the Universal Access Fund states that "The Committee shall meet as often as required to conduct its business as set out in these Regulations, and no less than six times per year. After due consultation with the Chairperson of the Committee, a meeting of the Committee may be convened by any member and notice of the meeting shall be provided to each member by the member who wishes to convene the meeting. 5.9 The Committee shall keep written minutes of all meetings which shall be made available to any person on request, provided that the cost associated with reproducing said minutes is borne by the requester".

Observation

- 1.2.12.2 During the audit, we observed that Management did not provide the Implementation Committee and the Project Implementation Unit meeting minutes for the periods under audit.

Risk

- 1.2.12.3 The absence of meeting minutes/activities reports may impair the strategic oversight activities of the committee.
- 1.2.12.4 Management may implement activities on a discretionary basis.

Recommendations

- 1.2.12.5 Management should liaise with the relevant authorities of the Governance Board to ensure that the Steering Committee and Implementation Unit are made functional. The Steering Committee and Implementation Unit should be made functional evidence by the conduct of periodic meetings, approval of major decisions of Management, deliberation on any matter involving the project and documentation of meeting minutes and periodic activities reports.
- 1.2.12.6 Evidence of minutes of meetings and periodic activities reports of the Steering Committee and Implementation Unit should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.12.7 *Management acknowledges the observations, recommendations and will ensure full implementation to the recommendations This will be validated during the next audits.*

Auditor General's Position

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

ANNEXURES

Annexure 1: Withholding taxes Not Withheld and Remitted

FY	Description	Staff	Gross Amount A	US\$	Tax Rate B	Withholding US\$ C=A x B
2018/2019	Staff	James Lynch Monbo	11,206.66		10%	1,120.67
		Elvira Nyanfor	7,021.66			702.17
		Dixon Gear	3,796.66			379.67
		Theophilus Browne	2,671.66			267.17
		Aaron Willie	1,921.66			192.17
		Ceiba Karmon	2,671.66			267.17
		Michaeline Kollie	1,796.66			179.67
		Moses B. Jackson	5,871.66			587.17
		Edwin Zodua	3,230.00			323.00
		Joe R. Manley	3,000.00			300.00
		Samatha I. Carter	900.00			90.00
		Sub-Total	44,088.28			4,408.86
	Consultancy	Robert Gbor	3,000.00		10%	300.00
		Development Consultant	20,000.00			2,000.00
		Sylvanus P. Gabie	3,000.00			300.00
		Sub-Total	26,000.00			2,600.00
	Vendors	Love Travel and Tour	5,092.00		4%	203.68
		L'Aphie Travel Tours	2,356.00			94.24
		Cross Words Ltd	19,890.00			795.60
		Sub-Total	27,338.00			1,093.52
	Total		97,426.28			8,102.38
FY	Description	Payee	Gross Amount A	US\$	Tax Rate B	Withholding US\$ C=A x B
2019/2020	Staff	James Lynch Monbo	31,200.00		10%	3,120.00
		Moses B. Jackson	21,700.00			2,170.00
		Ceiba Karmon	19,500.00			1,950.00
		Elvira Nyanfor	19,500.00			1,950.00
		Mai Dakinah	19,500.00			1,950.00
		Dixon Gear	13,000.00			1,300.00
		Michaeline Kollie	13,000.00			1,300.00
		Theophilus Browne	9,100.00			910.00
		Aaron Wilie	6,500.00			650.00
		Sub-Total	153,000.00			15,300.00
	Consultancy	Solution One	22,500.00		10%	2,250.00

FY	Description	Staff	Gross Amount A	US\$	Tax Rate B	Withholding US\$ C=A x B
		Corporate Service Int'l	25,000.00			2,500.00
		DEEP	5,600.00			560.00
		Prince Kruah	1,000.00			100.00
		Sub-Total	54,100.00			5,410.00
	Vendors	Jos Travel & Tours	11,671.00		4%	466.84
		United Office Supplies & Equipment	11,720.00		2%	234.40
		United Group Supply Inc.	8,164.00			163.28
		Cape Automotive Solution	2,648.00			52.96
		Dynamic Solution	5,500.00			110.00
		New Era Publication	1,875.00			37.50
		Sub-Total	41,578.00.			1,064.98
		Total	346,104.28			21,774.98
FY	Description	Payee	Gross Amount A	(US\$)	Tax Rate B	Withholding US\$ C=A x B
2020/2021	Staff	James L. Monbo	31,200.00		10%	3,120.00
		Moses B. Jackson	22,100.00			2,210.00
		Ceiba S. Karmon	19,500.00			1,950.00
		Elvira Nyanfor	19,500.00			1,950.00
		Mai Dakinah	19,500.00			1,950.00
		Dixon Gear	13,000.00			1,300.00
		Michaeline Kollie	13,000.00			1,300.00
		Theophilus Browne	9,100.00			910.00
		Aaron Willie	6,500.00			650.00
		Sub-Total	153,400.00			15,340.00
	Description	Payee	Gross Amount A	(US\$)	Tax Rate B	Withholding US\$ C=A x B
	Consultancy	Absolute Solutions Inc	35,000.00		10%	3,500.00
		Corporate Services Int'l	37,000.00			3,700.00
		Development Consultant Inc	20,000.00			2,000.00

FY	Description	Staff	Gross Amount A	US\$	Tax Rate B	Withholding US\$ C=A x B
		Solution One	30,000.00			3,000.00
		Liberia Connect Incorporated	18,000.00			1,800.00
		T. Kudah Jarus	10,000.00			1,000.00
		George Smart	8,000.00			800.00
		Henries Law Firm	4,000.00			400.00
		Prince Kruah	4,000.00			400.00
		Davestus James	300.00			30.00
		James M. Tokpawhiea	300.00			30.00
	Sub-Total		166,600.00			16,660.00
	Description	Payee	Gross Amount (US\$) A		Tax Rate B	Withholding US\$ C=A x B
	Vendors	Super Petroleum	23,213.52		4%	928.54
		United Motor Company	41,771.10			1,670.84
		ASO Enterprises	5,000.00		2%	100.00
		Lone star cell	3,200.00			64.00
		Office Express	6,430.00			128.60
		Speed Shop Garage	3,160.00			63.20
		Sunu Assurances Liberia Ltd	7,671.91			153.44
		Zenith Multipurpose Company	1,800.00			36.00
	Sub-Total		92,246.53			3,144.62
	Total		412,246.53			35,144.62

Annexure 2: Payment without Evidence of Adequate Supporting Documents

FY	Payee	Description	Amount (US\$)	Comment
2018/2019	Robert Gbor	Payment for Consultancy Service	3,000.00	No evidence of Contracts, Performance/re cord of work done, bid evaluation reports and Job completion certificate.
	Sylvanus P. Gabie	Payment for Consultancy Service	3,000.00	
	Total		6,000.00	

FY	Payee	Description	Amount (US\$)	Comment
FY	Payee	Description	Amount US\$	Comments
2019/2020	DEEP	PIU Three Years Strategic Plan	5,600.00	No evidence of the following documents: Contracts, Performance/record of work done, bid evaluation reports and Job completion certificate, Terms of Reference (ToR's), Tax clearance, Business Registration.
	Prince Kruah	Legal services to PIU	1,000.00	
	Solution One	Training of Rural Dwellers	22,500.00	
	Cape Automotive Solution	Maintenance of Vehicle	220.00	
	James Lynch Monbo	Materials for VSAT construction.	116.50	No evidence of payment vouchers
	Cape Automotive Solution Inc.	Maintenance of Vehicle	515.00	
	Elis Antoune Motor	Maintenance of Vehicle	197.50	
	Total		30,149.00	
FY	Payee	Description	Amount (US\$)	Comment
2020/2021	Absolute Solution	Consultancy / Training	35,000.00	No evidence of Job completion certificate, Tax Clearance & Business Registration.
	Solution One	Payment for consultancy service	30,000.00	No evidence of Contracts, Performance/record of work done, Job completion certificate, Tax Clearance & Business Registration.
	Development Consultant	Payment for consultancy service	20,000.00	

FY	Payee	Description	Amount (US\$)	Comment
	Corporate Services	Payment for consultancy service	37,000.00	No evidence of Performance/re cord of work done, Job completion certificate, Tax Clarence & Business Registration.
	Liberia Connect	Payment for consultancy service	18,000.00	
	Henry Law Firm	Payment for consultancy service	5,400.00	No evidence of Performance/re cord of work done & Job completion certificate.
	Prince Kruah	Payment for consultancy service	7,200.00	
	George Smart	Payment for consultancy service	3,600.00	No evidence of contract
	Cape Automotive Solution Inc.	Payment for vehicle servicing	1,090.00	
	Lone Star MTN	Payment for scratch cards	3,200.00	
	Orange Liberia	Payment for scratch cards	4,800.00	
	Rent A Car	Payment for vehicle rental service	1,010.00	
	Speed Shop Garage	Payment for vehicle servicing	3,160.00	
	Sunu Assurances, Ltd	Payment for vehicle insurance	7,671.91	
	Thunder Bird Corporation	Payment for vehicle servicing	1,240.00	
	United Motor Company	Payment for vehicle servicing	2,661.00	
	Zenith Multipurpose Company	Payment for vehicle rental service	1,800.00	
Total			182,832.91	

Annexure 3: Spending in excess of approved Procurement Plan

FY	Description	Cash Book Amount (US\$) A	Approved Procurement Plan Amount US\$ B	Excess Payment US\$ C=A-B	Percent (%) D=(C/A)
2018/2019	Consultant Service	26,000.00	5,500.00	20,500.00	78.85%
	Foreign Travel	34,971.00	15,500.00	19,471.00	55.68%
Total		60,971.00	21,000.00	39,971.00	66%

FY	Description	Cash Book Amount (US\$) A	Approved Procurement Plan Amount US\$ B	Excess Payment US\$ C=A-B	Percent (%) D=(C/A)
2019/2020	Travel Expenses	77,650.00	40,000.00	37,650.00	48%
	Professional Services	43,000.00	20,000.00	23,000.00	53%
	Other Specialized Materials	57,989.00	40,000.00	17,989.00	31%
	Fuel & Lubricants	28,452.75	14,640.00	13,812.75	94%
	Repairs & Maintenance	10,988.00	2,500.00	8,488.00	77%
	Vehicle Insurance / Registration	4,890.00	2,000.00	2,890.00	59%
	Other General Expenses	64,523.00	56,263.20	8,259.80	13%
	Total	287,492.75	175,403.20	112,089.55	39%

FY	Description	Cash Book Amount (US\$) A	Approved Procurement Plan Amount US\$ B	Excess Payments C=A-B	Percent (%) D=(C/A)
2020/2021	Foreign Travel	18,951.83	10,000.00	8,951.83	47%
	Fuel & Lubricant	23,213.52	19,780.00	3,433.52	15%
	Repairs and Maintenance	12,810.50	10,000.00	2,810.50	22%
	Stationery	11,951.00	5,000.00	6,951.00	58%
	Professional Services	63,200.00	16,000.00	47,200.00	75%
	Training	37,000.00	15,000.00	22,000.00	59%
	Total	167,126.85	75,780.00	91,346.85	55%

Annexure 4: Figure per Bank Statement not traced to the cash book

TRANS. DATE	EXPLANATION TEXT	DOC. #	DEBIT AMOUNT LRD	CREDIT AMOUNT LRD
11/19/20	UBA CHQ#114549 ISSUED BY ORANGE IFO UNIVERSAL ACC.	114549		49,445,433.66
11/24/20		0	5,000.00	
11/26/20	LONESTAR MM	0	80,000.00	
11/26/20	MM DEP BY UNI ACCESS FUND IFO EMMANUEL FRED	0	64,000.00	
11/26/20	LONESTAR MM	0	64,000.00	

Annexure 4: Figure per Bank Statement not traced to the cash book

TRANS. DATE	EXPLANATION TEXT	DOC. #	DEBIT AMOUNT LRD	CREDIT AMOUNT LRD
11/26/20	GTB CHQ#58 WITHDR IFO MORRIS BARYOGAR	0	40,000.00	
11/26/20	GTB CHQ WTHDR BY AARON F. WILLIE	60	40,000.00	
11/26/20	GTB CHQ WTHDR IFO JAMES LYNCH MONBO	54	80,000.00	
11/27/20	GTB CHQ# WITHDR IFO HENRY S TOLON	0	40,000.00	
11/27/20	GT BNK CHQ WITHDR BY COOPER W. KRUAK#52	0	96,000.00	
11/27/20	GTB CHQ#51 WITHDR IFO ISREAL AKINSANYA	0	96,000.00	
12/01/2020		0	25,000.00	
12/04/2020	REC FRM CLRG GTB CHQ#59 IFO DERRICK SMITH	0	40,000.00	
12/07/2020	GTB CHQ #65WITHDR IFO MICHAELINE KOLLIE	0	16,000.00	
12/07/2020	GTB CHQ WTHDR IFO HORATIO BOBBY WILLIE #72	0	16,000.00	
12/07/2020	GTB CHQ # 69 WITHD BY MORRIS BARYOHAR	69	10,000.00	
12/07/2020	GTB CHQ#61 WITHDR IFO ISRAEL AKINNYA	0	24,000.00	
12/09/2020	REC FRM CLRG GTB CHQ#68 IFO AARON F. WILLIE	0	10,000.00	
12/09/2020	REC FRM CLRG GTB CHQ#64 IFO JAMES LYNCH MONBO	0	20,000.00	
12/14/20	REC FRM CLRG GTB CHQ#66 IFO MAI L. DAKINAH	0	16,000.00	
12/14/20	GTB CHQ #63WITHDR IFO ELIJAH G. GLAY	0	20,000.00	
12/16/20	GTB CHQ# 71 WITHDR BY EDWARD K GOBA	0	20,000.00	
12/16/20	GTB CHQ#73 WITHDRW BY HORATIO BOBBY WILLIE	0	48,228.00	
01/08/2021	GTB CHQ WTHDR IFO DERRICK SMITH	0	10,000.00	
01/15/21	GTB CHQ DEP DY UNIVERSAL ACCESS IFO CORPRATE SER.	76	167,000.00	
01/20/21	REC FRM CLRG GTB CHQ#77 IFO SPEED SHOP GARAGE	0	86,840.00	
01/27/21	GTB CHQ DEP BY UNIERAL ACCESS IFO CORPORATE SER	78	167,000.00	
04/06/2021	GTB CHQ DEP BY LCC IFO	1221		28,566,919.15

Annexure 4: Figure per Bank Statement not traced to the cash book

TRANS. DATE	EXPLANATION TEXT	DOC. #	DEBIT AMOUNT LRD	CREDIT AMOUNT LRD
	UNIVERSAL ACCESS FUND			
04/17/21	GTB CHQ UNIVERSAL DEP BY BERNARD IFO CORPORATE	85	1,462,000.00	
04/17/21	GTB CHQ UNIVERSAL DEP BY BERNARD IFO CORPORATE SER	84	1,530,000.00	
04/20/21	GTB CHQ WITHD BY DERRICK SMITH	0	35,000.00	
04/20/21	GTB CHQ#86 WITHDR BY ISRAEL M AKINSANYA	0	84,000.00	
05/04/2021	GTB CHQ DEP BY UNIVERSAL ACCESS FUND IFO DEV.CONUL.	88	3,168,000.00	
05/21/21	GTB CHQ DEP BY UNIVERSAL ACCESS FUND IFO VOICE NET	90	1,232,000.00	
05/21/21	GTB CHQ DEP BY UNIVERSAL ACCESS IFO VOICE NET	89	1,408,000.00	
06/17/21	GTBG CHQ DEP BY UNIVERSAL ACCESS FUND IFO DEVCON	93	1,760,000.00	
06/17/21	GTBG CHQ DEP BY UNIVERSAL ACCESS FUND IFO DEVCON	92	1,760,000.00	
06/25/21	GTB CHQWTHDRN BY AARON F. WILLIE	94	60,000.00	
Total			13,800,068.00	78,012,352.81