



Management Letter

On the Financial Statements Audit of the Liberia Maritime Authority (LiMA)

For the Periods July 1, 2020 to December 31, 2023



Promoting Accountability of Public Resources

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

Monrovia, Liberia
April 2025

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ACRONYMS

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigative Professional
COSO	Committee of Sponsoring Organizations of the Treadway Commission
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GOL	Government of Liberia
HR	Human Resources
IAS	International Accounting Standards
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
LiMA	Liberia Maritime Authority
LRA	Liberia Revenue Authority
MOL	Ministry of Labor
NASSCORP	National Social Security and Welfare Corporation
PFM Act	Public Finance Management Act
PPCC	Public Procurement and Concessions Commission
RL	Republic of Liberia
US\$	United States Dollar

April 17, 2025

Hon. Cllr. Neto Zarzar Lighe, Sr
Commissioner General (CG)
Liberia Maritime Authority (LiMA)
Monrovia, Liberia

Dear Hon. Lighe:

**MANAGEMENT LETTER ON THE FINANCIAL STATEMENT AUDIT OF THE LIBEIRA MARITIME
AUTHORITY (LiMA) FOR THE PERIODS JULY 1, 2020 – DECEMBER 31 2023**

Introduction

The Financial Statements Audit of the Liberia Maritime Authority (LiMA) was commissioned by the Auditor General of the Republic of Liberia (R.L) under his statutory authority as provided for under Section 2.1.3 of the GAC Act of 2014 for the periods July 1, 2020 to December 31, 2023.

Scope and Determination of Responsibility

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

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in relating to the subject matter;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall subject matter and subject matter information presentation.

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

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.

The Financial statements, maintenance of effective control measures and compliance with laws and regulation are the responsibility of the Management of the Liberia Maritime Authority. Our responsibility is to express an opinion on these financial statements.

MANAGEMENT TEAM

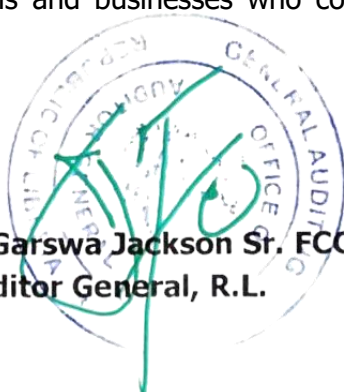
The Management Team of the LiMA for the period of the audit included the following individuals.

Name	Rank	Period
Hon. Cllr. Neto Zarzar Lighe, Sr.	Commissioner General	2024-Present
Len Eugene Nagbe	Commissioner General	2020-2024
Desire S. Satia	Deputy Chief Financial Officer	2009-2024
Nya S. Gbaintor, Esq	Principal Director for Administration and Legal	2016-2024

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 staff of the Liberia Maritime Authority and other individuals and businesses who contributed to the success of this audit.


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

Monrovia, Liberia

April 2025

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance Issues

1.1.1 Lack of Functional Board of Directors

Criteria

- 1.1.1.1 Section 10 (1) of the Liberia Maritime Authority Act 'Constitution of the Board of Directors' states "The Board of Directors of the Authority shall consist of a Chairman and six other members appointed by the President, two of whom shall have experience in matters relating to maritime affairs and the maritime industry and commerce, and three of whom shall be statutory members from the following ministries of Government, namely: The Ministry of Finance and Development Planning, the Ministry of Justice, and the Ministry of Transport. The President shall appoint the Chairman of the Board, and the Vice Chairman shall be elected by the members of the Board of Directors.
- 1.1.1.2 Section 12 (3) of the Liberia Maritime Authority Act, 'Resignation, Suspension or Removal of Members of the Board', states "The appointment, removal, death or resignation of any member of the Board of Directors of the Authority shall be made public immediately following the event. The replacement of a Board member shall be announced within sixty days of the vacancy.

Observation

- 1.1.1.3 During the audit, we observed no evidence of a functional board of directors at the entity during the periods of the audit contrary to the statute of the entity.

Risk

- 1.1.1.4 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution's objectives.
- 1.1.1.5 Management may override institutional policies and procedures that may adversely impact the operations of the entity.
- 1.1.1.6 Management may not implement internal and external audit recommendations due to the absence of a functional audit committee.

Recommendation

- 1.1.1.7 Management should liaise with the appropriate authorities to establish a functional board of directors.
- 1.1.1.8 The Board of Directors should be made functional evidenced by periodic meetings' minutes and activities reports. Evidence of periodic meeting minutes and activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.9 *As stated in previous audit reports specifically for Fiscal Years 18/19 and 19/20, the Authority did not have a fully constituted Board. The Management took note of the Auditor's finding and recommendation while stating in its responses that Management acknowledged the fact that there were vacancies on the Board of Directors of the Authority and noted that the Board was not fully constituted. It also stated that the Office of the President of the Republic of Liberia was fully aware that these vacancies existed on the Board of the Authority as only statutory members and a representative of the Office of the President were serving for the periods under audit and up to April 1, 2024. However, as a means of implementing said audit recommendation, though after the periods currently under audit, the Office of the President of the Republic of Liberia on April 2, 2024 fully constituted a seven (7) member board and that Board has also constituted all of its functional working committees, including the Finance and Audit Committees, that have begun looking at all audit reports (internal and external) as well as ensuring that audit recommendations are fully implemented as expeditiously as possible. Please see attached the circular from the Office of the Presidential Press Secretary announcing the member of the newly constituted Board of Directors of the Authority and minutes of the Board meeting minutes establishing the standing committees.*

Auditor General's Position

- 1.1.1.10 We acknowledge Management's acceptance of our findings and recommendations and Management's assertions on the subsequent formulation of a functional Board of Directors. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.2 No Monitoring & Evaluation

Criteria

- 1.1.2.1 Regulation A.15 (1) of the PFM Act of 2009 as amended and restated 2019 states that "a 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 controls to mitigate these risks.

Observation

- 1.1.2.2 During the audit, we observed no evidence of a functional Monitoring and Evaluation Committee (M&E) to provide the required oversight for the full implementation of planned activities within approved timelines, evidenced by the absence of approved annual monitoring & evaluation plans and periodic activities reports.
- 1.1.2.3 Further, we observed no evidence of monitoring and evaluation of activities cataloged in the approved strategic and operational plans.

Risk

- 1.1.2.4 In the absence of effective monitoring and evaluation, project deliverables may not be achieved up to approved specifications and within approved timelines.
- 1.1.2.5 Value for money may not be achieved and project resources may be subjected to misapplication and misappropriation.
- 1.1.2.6 Approved activities cataloged in the strategic and operational plans may not be achieved or achieved up to approved specifications and timelines.

Recommendation

- 1.1.2.7 Management should facilitate the establishment of a functional Monitoring and Evaluation Committee (M&E), evidence by the documentation of planned annual activities and periodic activities reports. Evidence of approved annual plans and periodic activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.2.8 *The Management takes note of the audit recommendation and herewith states that, though the Authority lacks a Monitoring and Evaluation Committee, it has a Department of Research, Innovation and Planning that, in conjunction with other departments, formulates the Authority's strategic plans as well as its operational plans on a year-to-year basis. That department also tracks all activities of the Authority on an annual basis to validate outcomes and achievement over the period. The Management herewith attaches copies of the operational plans for the periods 2020-2022 and a full report on the implementation of the Authority's strategic plan for the periods which ended in 2023.*
- 1.1.2.9 *However, the Management will formulate a special committee to aid the department in the effective monitoring and evaluation of all future activities of the Authority. The Authority prides itself on the quality of reports produced and will endeavor in ensuring the implementation of meaningful recommendations of the Commission.*

Auditor General's Position

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

1.1.3 Lack of Senior Management Meeting Minutes

Criteria

- 1.1.3.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper

records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

Observation

- 1.1.3.2 During the audit, we observed no evidence of Senior Management meeting minutes to facilitate oversight and review of Management functions.

Risk

- 1.1.3.3 Monitoring and evaluation of the mandate and strategic and operational objectives of the entity may be impaired. This may impair the achievement of approved deliverables of the entity.

Recommendation

- 1.1.3.4 Management should facilitate the conduct of periodic Senior Management meetings. Senior Management meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings’ minutes should be subsequently documented and filed to facilitate future review.
- 1.1.3.5 Management should also institute a platform for following-up on decision made at Senior Management meetings. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

Management’s Response

- 1.1.3.6 *The Management takes note of the audit observation and herewith clarifies that due to the Covid 19 Pandemic and its several waves in Liberia most employees of the Authority worked remotely. However, the senior management meetings held during the audit period were fully documented. Going forward, Management has ensured that regular in-person senior staff meetings are held where updates of activities are presented by heads of departments. Also, the Authority has ensured that regular minutes are kept for future reference by Management, the Board and other stakeholders as the need arises. Furthermore, the Management is herewith attaching the minutes of senior staff meetings held during the audit period as well as minutes of senior staff meetings in 2024 for further reference by the GAC, more specifically the audit follow up team of the Commission.*

Auditor General’s Position

- 1.1.3.7 Management’s assertions did not adequately address the issues raised. Management did not provide evidence of Senior Management meetings minutes for the period FY 2020/2021 - FY2023. Further, Senior Management meetings minutes provided for FY2024 are outside of the scope of the audit. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.4 Lack of Audit Committee

Criteria

- 1.1.4.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that “the head of government agency or government organization shall in consultation with the internal audit governance board establish and maintain an audit committee for the government agency or organization for which he/she is responsible.”
- 1.1.4.2 Further, Regulation K.11(1), (a) of the PFM Act of 2009 as amended and restated 2019 states that the Audit Committee of Government Agencies or Organizations shall review internal controls, including the scope of internal audit, internal audit Plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.

Observation

- 1.1.4.3 During the audit, we observed no evidence that Management established an audit committee to monitor and address audit matters at the institution as required.

Risk

- 1.1.4.4 Audit issues and lapses identified in the entity’s internal control system may not be appropriately monitored and addressed due to the lack of audit committee.
- 1.1.4.5 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

Recommendation

- 1.1.4.6 Management should liaise with the relevant authority to establish a functional audit committee. Evidence of periodic meetings minutes and activities reports should be adequately documented and filed to facilitate future review.

Management’s Response

- 1.1.4.7 *The Management takes note of the audit recommendations and herewith states that though the Board was not fully constituted during the audit period, an Audit Recommendation Implementation Committee (ARIC) and an Audit Recommendation Implementation Secretariat were set up to ensure full implementation of both internal and external audit recommendations. Based on the work of those two functionaries of the Authority, the Commission has even reported the fast paced and a high percentage of implementation of audit recommendation of the Authority. However, with the full constitution of the Board of Directors of the Authority, a Finance and Audit Committee has been constituted to handle these issues as seen in the Authority’s response and evidence attached in Finding 1.1.1.*

Auditor General's Position

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

1.1.5 Lack of Training and Development Plan

Criteria

- 1.1.5.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) states, that "commitment to competence includes the level of knowledge and skill needed to help ensure orderly, ethical, economical, efficient and effective performance, as well as a good understanding of individual responsibilities with respect to internal control".
- 1.1.5.2 The above can be evidenced by providing training, to raise the awareness of management and employees of the internal control objectives and, in particular, the objective of ethical operations, and helps them to understand the internal control objectives and to develop skills to handle ethical dilemmas.

Observation

- 1.1.5.3 During the audit, we observed no evidence that Management had a documented training and development plan for staff of the entity.
- 1.1.5.4 Additionally, we observed the need for qualified staff in the account section of the entity.

Risk

- 1.1.5.5 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.
- 1.1.5.6 In the absence of an annual training plan, training may be conducted arbitrarily. This may impair the development plan and the required capacity of staff of the entity.
- 1.1.5.7 In the absence of periodic training/capacity-building initiatives, staff may not obtain the required capacity needed to achieve the objectives of the entity.

Recommendation

- 1.1.5.8 Management should develop, approve, and operationalize a comprehensive training plan that addresses the strategic capacity needs of the staff of the entity. The requisite training and capacity development plan for each unit should be identified and scheduled.
- 1.1.5.9 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.5.10 *The Management takes note of the audit finding and herewith states that it will ensure a proper training and development plan of the Authority be developed. The plan, upon approval of the Board, will meet international standards and will ensure that the Authority's training and development agenda be driven by what the plan depicts. The Management will attach importance to this as it endeavors in seeking reforms in the maritime sector.*

Auditor General's Position

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

1.1.6 No Risk Management Policy

Criteria

- 1.1.6.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management manages or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

Observations

- 1.1.6.2 During the audit, we observed no evidence that Management has developed a risk management policy to guide internal and external risks that could impact the achievement of the entity's objectives.

Risk

- 1.1.6.3 The absence of a risk management policy may lead to Management not being aware of potential risks that may affect the operations of the entity.
- 1.1.6.4 Potential risks to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby impairing the achievement of the entity's objectives.

Recommendation

- 1.1.6.5 Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.
- 1.1.6.6 Evidence of periodic risk assessment should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.6.7 *The Management takes note of the audit finding and clarifies that in the absence of a Risk Management and Quality Assurance function of the Authority and a fully functional Board to grant approval to such policy, the Management could not draft, review, approve and execute a proper risk management policy. However, though after the audit period, the Management has created a Risk Management and Quality Assurance Division that works closely with the Departments of Finance, Internal Audit and all other key departments in ensuring a proper control mechanism is implemented across the institution.*
- 1.1.6.8 *The Management is also pleased to inform the Commission that its Risk and Quality Assurance Division has drafted a Risk Management Policy, which is awaiting the approval of the Board of Directors of the Authority. Once approved, this policy will present the parameters of managing the risks that may be posed to the Authority, as well as mitigating the propensity of the reoccurrence of possible risks that previously existed. Please see attached a copy of the draft Risk Management Policy of the Authority pending the Board of Directors approval.*

Auditor General's Position

- 1.1.6.9 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 Budget Management

1.2.1 No Evidence of a Functional Budget Committee

Criteria

- 1.2.1.1 Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019 states that "Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of (a) the head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers)".

Observation

- 1.2.1.2 During the audit, we observed no evidence of a functional budget committee, evidenced by the lack of committee meetings minutes and periodic reports.

Risk

- 1.2.1.3 In the absence of functional budget committee, effective monitoring and evaluation of revenue and expenditure may be impaired. This may lead to under receipt of budgeted revenue and / or over expenditure.

- 1.2.1.4 Periodic Budget Performance Reports may not be prepared adequately or in a timely manner.
- 1.2.1.5 Management may be non-compliant with Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019.

Recommendation

- 1.2.1.6 Management should facilitate the establishment of a functional Budget Committee, evidenced by the documentation of attendance records, meeting minutes, and periodic activities reports. Evidence of attendance records, meeting minutes, and periodic activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.1.7 *Management takes note of the audit finding and states that, though the periods under audit did not have a fully constituted budget committee, budgets were prepared with the full participation of all departments of the Authority by the submission of their inputs in the draft and final approved budgets. Additionally, the Authority ensured proper tracking of its budget lines by the preparation of its quarterly financial reports in compliance with the Amended Public Financial Management Law of 2019.*
- 1.2.1.8 *In 2024, a budget committee was set up (memo herewith attached) and is currently executing its function. The Authority will ensure full implementation of this audit recommendation as reporting is key to attaining the goals of the Authority's strategic objectives. Please see attached the official communication establishing the Authority's budget committee.*

Auditor General's Position

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

1.2.2 No Evidence of a Budget Unit

Criteria

- 1.2.2.1 Regulations D16 (1) of the PFM Act of 2009 as amended and restated 2019 states "Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of (a) The head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers".
- 1.2.2.2 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn

reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

Observation

- 1.2.2.3 During the audit, we observed no evidence that Management established a functional Budget Unit or employed a Budget Officer to oversee the budget management processes of the entity in a timely manner, for the periods under audit.

Risk

- 1.2.2.4 In the absence of a Budget Officer/ Budget Unit, actual revenue and expenditure may not be recorded in a timely manner. This may impair budget monitoring and evaluation, which may lead to under receipt of budgeted revenue and / or over expenditure.

Recommendation

- 1.2.2.5 Management should facilitate the immediate establishment of a Budget Unit, competitively hire qualified and experienced budget officers/ accountants to manage the activities of the unit.
- 1.2.2.6 The Budget Unit upon establishment should facilitate real time recording of actual revenue and expenditure and prepare periodic (quarterly and annual) budget performance reports for onward submission to the relevant authorities as required. Evidence of periodic budget performance reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.7 *The Management takes note of the audit finding and herewith states that it will fully budget for the establishment of a Budget Unit in its subsequent budget. The Management sees the recommendation as a step in the right direction as this unit which will be a part of the Department of Finance will eventually aid in the quality of the Authority's operations and enhance the quality of the Authority reporting framework. The proper staffing of the unit will be ensured as the quality of staff recruited will enhance the smooth operations of the unit.*

Auditor General's Position

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

1.2.3 Irregularities Associated with Budget Performance

Criteria

- 1.2.3.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the

financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

Observation

- 1.2.3.2 During the audit, we observed that for the fiscal years 2020/2021 to 2023, Management's budget performance reports consistently showed material budget variances without evidence of explanation for these variances. **See table 1 below for details.**

Table 1- Irregularities Associated with Budget Performance

Period	Budgeted Revenue US\$ A	Actual Revenue US\$ B	Budget Variance US\$ C=(A-B)	Percentage Variance D=(C/A)*100
July 1, 2020 – June 30, 2021	5,402,215	5,054,902	347,313	6.4%
July 1 – December 31, 2021	3,058,926	2,033,044	1,025,882	33.5%
January 1- December 31, 2022	7,433,617	4,881,342	2,552,275	34.3%
January 1- December 31, 2023	7,733,429	6,133,442	1,599,987	20.7%

Risk

- 1.2.3.3 Unexplained budget variances and operational losses may deny users of the financial statements pertinent information for informed decision making.
- 1.2.3.4 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.

Recommendation

- 1.2.3.5 Management should provide explanation for the unexplained budget variances catalogued in table 1 above.
- 1.2.3.6 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.2.3.7 Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.3.8 *The Management of the Authority takes note of the audit finding and herewith clarifies that variances experienced in the revenue numbers of the Authority for the periods under audit were a direct result of the following exogenous factors:*

- *In 2020, Covid 19 first hit Liberia. To make things harder, a second wave of the Covid 19 virus, this time the Delta Strain, hit Liberia in June 2021. At that time, the operations of the Authority experienced a major dip in its revenue generating capacity for 2021 and up to 2022. This led to a major decline in both the Authority's international and domestic operations wherein the management struggled to ensure the basic operations were funded to keep the sector afloat; and*
- *By mid-2023, the People's Republic of China had not renewed a most favored nation agreement with the Republic of Liberia. This agreement permits Liberian flagged vessels calling on or transiting through the ports of China to be treated as Chinese vessels and are thus charged tariffs as such. Noting most of the Liberian flagged vessels pass through and conduct business in Chinese ports, the non-renewal of the agreement showed the refusal of ship owners to renew their registration of their vessels under the Liberian flag by mid-2023 leading up to 2024. However, the Liberian Government has been able to renew the agreement on September 5, 2024 (specimen of cover and signature pages herewith attached). The agreement came in to force on December 12, 2024, which means that the mechanism to regain vessels that delisted from the international registry will take up to a year; hence rewards/revenue from that agreement will not be realized until 2026.*

1.2.3.9 *These two major exogenous factors greatly affected the Authority's drive to generate needed revenue at home and abroad to effectively fund its operations for those periods under audit. Domestically, the sector was heavily hit by the closing of operations of most companies in the sector, due to the two major waves of the Covid 19 virus in Liberia. To make matters worse, companies that remained opened requested discounts on domestic vessel registration and other forms of registration as they were also heavily impacted by the pandemic since operations of their clients were either closed or slowed down for the periods 2021-2023.*

Auditor General's Position

1.2.3.10 We acknowledge Management's acceptance of our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit. Additionally, external factors that significantly affects revenue collections in the prior year which are not resolved, should be factored in the crafting of the subsequent year's revenue projections. Management should also facilitate periodic review of the budget in the face of adverse external factors and recast the budget where applicable. The recast budget should be reviewed and approved by the Board of Directors. Evidence of approved recast budget and all other relevant supporting records should be adequately documented and filed to facilitate future review.

1.3 Financial Reporting

1.3.1 Irregularities Associated with the Disclosure of Comparative Figures in the Financial Statements

Criteria

- 1.3.1.1 International Accounting Standards IAS 1 Paragraph 36 states "An entity shall present a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements: (a) the reason for using a longer or shorter period, and (b) the fact that amounts presented in the financial statements are not entirely comparable".

Observation

- 1.3.1.2 During the audit, we observed that the amounts reported in the financial statements were not comparable consistent with the Special Budget Year 2021.
- 1.3.1.3 Management did not also disclose in the notes to the financial statements that the amounts are not comparative and the reason for the incomparability to prior period figures.

Risk

- 1.3.1.4 Fair presentation and full disclosure may be impaired.

Recommendation

- 1.3.1.5 Management should adjust the financial statements to include accurate comparable prior year figures on the face of the financial statements.
- 1.3.1.6 The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this management letter.
- 1.3.1.7 Going forward, Management should ensure that accurate comparable prior year figures are disclosed on the face of the financial statements. If the prior period is longer or shorter than a year and therefore the prior and current periods figures are not comparable, Management should disclose (a) the reason for using a longer or shorter period, and (b) the fact that amounts presented in the financial statements are not entirely comparable consistent with the standards.

Management's Response

- 1.3.1.8 *The Management takes note of the audit finding and states that it was comparing figures at December 31, 2021 to that of December 31, 2020. There was a transition from fiscal year basis to calendar year basis at December 31, 2021 as mandated by the Amended Public*

*Financial Management Law of 2019. In the notes found on page 8 of the financial statements for the special year ended December 31, 2021, the Management did state under the Basis for preparation that **"This quarter is the ending of a 6-month transition from fiscal year to calendar year basis"**.*

- 1.3.1.9 *In view of the aforementioned, numbers appearing for the special fiscal year run for July to December 2021 and the numbers on the financial statements for the previous year run for July to December 2020. However, the Management has adjusted the special fiscal year financial statements to reflect the end balances as of June 30, 2021 in the column for the previous fiscal period before the final signature of the Auditor General.*

Auditor General's Position

- 1.3.1.10 We acknowledge Management's subsequent submission of the adjusted financial statements after our audit execution including the prior year figures and indicating the reasons why the prior year figures were not comparable.

1.3.2 Variance between Financial Statements Figure and Notes for Depreciation

Criteria

- 1.3.2.1 Regulation O.24 of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states "(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 copies of receipts or original documents to verify the correctness of the transactions".

Observation

- 1.3.2.2 During the audit, we observed a variance of US\$33,816.00 between the financial statements and Depreciation Analysis Schedule relative to the amount reported in the financial statements for Construction in Progress as reported by Management for FY 2020/2021. **See table 3 below for details.**

Table 3: Variance between Depreciation Analysis Schedule in the Financial Statements and the Notes to the Financial Statements

Account Description	Financial Statements Amount	Depreciation Analysis Schedule Amount	Variance
	US\$	US\$	US\$
Construction in Progress	4,144,754.00	4,110,938.00	33,816.00
Total	4,144,754.00	4,110,938.00	33,816.00

Risk

- 1.3.2.3 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated.
- 1.3.2.4 Misstated financial statements may facilitate fraudulent financial reporting and mislead the users of the financial statements.
- 1.3.2.5 Management may not account for all its transactions.

Recommendation

- 1.3.2.6 Management should provide explanation for the variances identified between the Financial Statements and Depreciation Analysis Schedule.
- 1.3.2.7 Management should adjust the financial statements by the variance observed between the Financial Statements and Depreciation Analysis Schedule.
- 1.3.2.8 The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this management letter.

Management's Response

- 1.3.2.9 *The Management takes note of the Commission's finding and herewith clarifies that this disagreement was an error. The numbers on the financial statements are correct as the amount of US\$33,816 rolled over from an audit adjustment of 2018/2019 audited financial statements (herewith attached). The depreciation analysis before the adjustment was still attached to the adjusted FY2020/2021 financial statements presented. The Management has done the needful by attaching the adjusted depreciation analysis to the final financial statements for the signature of the Auditor General.*

Auditor General's Position

- 1.3.2.10 We acknowledge Management's subsequent submission of the adjusted financial statement, the associated depreciation schedule and the notes to the financial statements after our audit execution.
- 1.3.2.11 Going forward, Management should ensure that figures disclosed on the face of the financial statements reconcile to associated disclosures in the notes to the financial statements.

1.3.3 Misclassification of Expenditures

Criteria

- 1.3.3.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and 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

- 1.3.3.2 During the audit, we observed that several expenditures were misclassified. **See table 4 below for details.**

Table 4: Misclassification of Expenditures

2020/2021				
Reference	Date	Misclassified Account	Correct Account	Amount US\$
09-20-062	9/23/2020	Other Benefits)	Communication (Telephone & Telex)	3,735.00
11-20-001	11/2/2020			7,470.00
12-20-007	12/2/2020			4,025.00
01-21-020	1/11/2021			4,450.00
Total				19,680.00
2020/2021				
Reference	Date	Misclassified Account	Correct Account	Amount US\$
01-21-010	1/5/2021	International Obligations	Foreign Travel Air Tickets	2,060.22
Total				2,060.22
2022				
03-22-015	3/11/2022	Contract Services	Foreign Travel -Perdiem	3,818.60
04-22-031	4/12/2022		Foreign Travel -Air Tickets	5,436.00
Total				9,254.60
2023				
Reference	Date	Misclassification Account	Correct Account	Amount US\$
06-23-047	6/15/2023	Press and Public Relations	Miscellaneous Expenses	2,000.00
08-23-015	8/4/2023	Local Travel	Foreign Travel Perdiem	233.33
03-23-049	3/16/2023	International Obligation	Printing	17,250.00
03-23-050	3/16/2023	International Obligation	Printing	11,500.00
08-23-015	8/4/2023	Conference	Foreign Travel Perdiem	1,200.00
Total				32,183.33

Risk

- 1.3.3.3 Misclassification of transactions may result in improper reconciliation of budget versus actual analysis.
- 1.3.3.4 Misclassification of expenditures may facilitate fraudulent financial reporting especially if the preparer of the financial statements intends to conceal over/under utilization of expenditures.

Recommendation

- 1.3.3.5 Management should adjust the financial statement accordingly to ensure that transactions related to expenditures are properly classified and consistent with the budget and the approved chart of accounts.
- 1.3.3.6 Management should facilitate routine training of staff on data entry posting and classification of transactions for junior staff.
- 1.3.3.7 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 between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.3.3.8 Management should ensure that transactions related to expenditures are properly classified and consistent with the budget and the approved chart of accounts.

Management's Response

- 1.3.3.9 *Management takes note of the audit finding and herewith states the following:*
 - *that vouchers misclassified under other benefits will duly be reclassified under telephone and telex expenses as the items are not benefits but are telephone and telex under the LiMA budget process;*
 - *that the voucher coded 01-21-010 is rightly classified as those were funds that were paid to facilitate the travel of dependents of the then Liberian Permanent Representative to the International Maritime Organization (IMO) which is in fact an international obligation to the Republic of Liberia by and through the Liberia Maritime Authority;*
 - *that vouchers coded 03-22-015 and 04-22-031 were already rightfully classified in the system, as they specified travel related payments and not contract services;*
 - *that the payments on 08-23-015 were rightfully coded for local travel to Buchanan for staff traveling to conduct aid to navigation management exercise in the amount of US\$233.33 while the amount for US\$1,200 accounted for one day conference related payment at the Authority;*
 - *that voucher coded 06-23-047 is rightfully coded as a press and public relations payments; and*
 - *that the payments showing printing of volumes of documents for Liberia's bid to council category "A" seat remained classified as international obligation though it involved printing.*
- 1.3.3.10 *The Management further takes note of the Commission's recommendations contained in the finding and will duly ensure that the software developer creates an automated review system before any print and payment is executed in the system. Management, through its Risk and*

Quality Assurance Division, has gone further to ensure that such misclassifications do not occur by creating a coding template that is attached to requisitions being forwarded for payments. This process has greatly aided the problems with misclassifications in the payment process as senior officers will approve the coding before the check making process.

Auditor General's Position

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

1.3.4 Inaccuracy of Statement of Cashflows for SFY 2021

Criteria

- 1.3.4.1 Regulation O.24 of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states "(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 copies of receipts or original documents to verify the correctness of the transactions".

Observation

- 1.3.4.2 During the audit, we observed that the Statement of Cash Flow for the special fiscal year July 1 – December 31, 2021 appeared to be inaccurate. There was a variance of US\$584,839.00 between the net change in cash for the period and the net increase in cash for the period.

See table 5 below.

Table 5: Inaccuracy of Statement of Cash Flows for July 1-December 2031

Net Cash Increase/Decrease for the Period US\$ A	Net Change in Cash for the Period US\$ B	Variance US\$ C-(A-B)
605,670.00	20,831.00	584,839.00

- 1.3.4.3 Additionally, we observed the following irregularities with the statement of cash flows for the special fiscal year, July 1- December 31, 2021:
- No disclosure in the notes to the financial statements of the incomparability of the amounts for the special fiscal period July 1 – December 31, 2021 and the prior fiscal period July 1, 2020 – June 30, 2021 and the reasons thereof.
 - The comparative date used for prior fiscal period is not representative of the prescribed reporting period.

- The opening and closing balances of the statement are not reconcilable to prior and succeeding fiscal periods. **See annexure 1 for details.**

Risk

- 1.3.4.4 The completeness and accuracy of closing cash balance and subsequently the financial statements may be misstated.
- 1.3.4.5 Management may not account for all cash transactions of the entity.

Recommendation

- 1.3.4.6 Management should adjust the financial statements to reflect the complete and accurate closing cash balance in the Statement of Cash Flows for the special Fiscal period July to December 2021.
- 1.3.4.7 The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this management letter.
- 1.3.4.8 Going forward, Management should ensure that the financial statements are reviewed by individuals with the relevant qualification, experience, seniority and independent of its preparation to enhance the detection and correction of misstatement due to error and or fraudulent reporting.

Management's Response

- 1.3.4.9 *The difference is a result of the six months gap between two fiscal periods. The Management has adjusted the special fiscal period and compared as of June 30, 2021. It must be clarified that the notes of the Special Fiscal Year Financial Statements did state that there was a transition for Fiscal Year to Calendar Year Basis. In the notes found on page 8 of the financial statements for the special year ended December 31, 2021, the Management did state under the Basis for preparation that "This quarter is the ending of a 6-month transition from fiscal year to calendar year basis".*

Auditor General's Position

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

1.4 Personnel Management

1.4.1 Personnel Roster/Listing not Reconciled to Approved Payroll

Criteria

- 1.4.1.1 Regulation T.3 (1) (d, e and f) of the PFM Act of 2009 states that “The head of every Management Unit shall keep records of all personnel Emolument of staff employed in his management unit to ensure that: (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

- 1.4.1.2 During the audit, we observed no evidence of monthly reconciliation between the personnel roster/listing and the monthly approved payroll. This resulted into differences during the periods under audit. **See table 6 for details.**

Table 6: Personnel Roster/Listing Not Reconciled to Approve Payroll

Period	Number of Employees on Personnel Roster/Listing	Number of Employees on Approved Payroll	Variance
30-Jun-21	221	242	-21
31-Dec-21	240	252	-12
31-Dec-22	271	248	23
31-Dec-23	272	266	6

Risk

- 1.4.1.3 The lack of a comprehensive personnel roster/listing may impair effective monitoring of employees of the entity.
- 1.4.1.4 Non-reconciliation of the personnel roster/listing to the approved payroll may lead to illegitimate personnel/ghost being compensated for services not performed.

Recommendation

- 1.4.1.5 Management should account for the variances identified between the personnel roster/listing and approved payroll.
- 1.4.1.6 Management should perform a monthly reconciliation between the personnel roster/listing and the approved payroll. Variances identified should be investigated and adjusted where applicable in a timely manner.

- 1.4.1.7 Evidence of monthly reconciliation between the personnel roster/listing and the approved payroll should be adequately documented and filed to facilitate future review.

Management's Response

- 1.4.1.8 *The Management takes note of the audit finding and clarifies that due to several payroll actions that are taken month to month, the Human Resource Department had presented a cumulative roster of all employees for those years. After a thorough look at the finding, Management has reviewed at end of the fiscal periods and herewith submits the updated roster that ties with the payroll. The Management also states that going forward and beginning 2024 it has maintained a month-to-month roster that will at any point in time tie with the payroll. It also clarifies that the payrolls of the Authority go through several levels of scrutiny before submission for payment. At no time was an employee omitted, or the payroll experienced a payment of excess number of employees.*

Auditor General's Position

- 1.4.1.9 We acknowledge Management's acceptance of our findings and recommendations and subsequent submission of the adjusted personnel listing. We will follow up on the implementation of our recommendations during subsequent audit.

1.4.2 Non-Remittance of Withholding Taxes

Criteria

- 1.4.2.1 Section 200 of the Revenue Code of Liberia 2000 as amended in 2011 requires that an annual income tax is hereby imposed on the annual taxable income of every natural person resident in Liberia (including resident Liberian citizens employed by an embassy, a diplomatic mission, or international organization). The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.
- 1.4.2.2 Further, Section 905 (J) and (M) of the Revenue Code of Liberia Act of 2000 states that; "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

- 1.4.2.3 During the audit, we observed that personal income taxes (PIT) withheld from employees amounting to US\$2,377,201.00 for FY2020/2021-FY2023 were not fully remitted to the Liberia Revenue Authority (LRA) as required by the Liberia Revenue Code during the periods under audit. **See table 7A for details.**

Table 7A: Non-Remittance of Personal Income Tax Withheld

Audit Period	Amount US\$
30-Jun-21	640,884.00
31-Dec-21	376,469.00
31-Dec-22	790,839.00
31-Dec-23	569,009.00
Total	2,377,201.00

- 1.4.2.4 Also, we observed no evidence of goods & services tax (GST) (2% or 4% for goods, 10% for services and consultancy of resident and 1% for petroleum products) being remitted into GoL Revenue Account for the purchase of goods, works and services for the periods under audit.
See table 7B and annexure 2 for details

Table 7B: Non-Withholding & Remittance of GST

Audit Period	Vendors @ 1% US\$	Vendors @ 2% & 4% US\$	Consultant @ 10% US\$	Total US\$
30-Jun-21	536.80	28,814.55	5,280.00	34,631.35
31-Dec-21	268.10	7,191.68	4,570.00	12,029.78
31-Dec-22	759.66	17,317.51	13,575.00	31,652.17
31-Dec-23	1,613.61	48,755.89	13,665.00	64,034.50
Total	3,178.17	102,079.63	37,090.00	142,347.80

Risk

- 1.4.2.5 Failure to remit taxes withheld may deny GoL of much needed tax revenue.
- 1.4.2.6 Management may be non-compliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result into penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.4.2.7 Non-remittance of withholding taxes may lead to misstatement of the cashbook and subsequently the financial statements.

Recommendation

- 1.4.2.8 Management should provide substantive justification for not remitting taxes withheld to the LRA as required.
- 1.4.2.9 Going forward, Management should withhold PIT and GST on all disbursement of remunerations and facilitate full remittance of PIT to the general revenue account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.

- 1.4.2.10 Evidence of remittance including original copies of flag receipts and other supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.4.2.11 *The Management takes note of the audit findings and states that, though it made some payments during the audit period, the waves of covid and other exogenous factors that affected its revenue drive caused a serious crippling of its operations which made it difficult to operate as seen in the net losses experienced. In 2023, some payments were made until the non-renewal of the most favored nation that affected our operations. However, the new administration, after reviewing prior year audit recommendations, has become current with 2024 and is seeking a waiver on the old payment plan (herewith attached) that will take over 9 years to settle. The specimen of payments to Liberia Revenue Authority (LRA) during the audit period and that of 2024 are herewith attached.*
- 1.4.2.12 *The Management further clarifies that it did not withhold GST from its vendors as payments to vendors can only be made if the vendor has a valid tax clearance from the LRA and a valid business registration certificate from the Liberia Business Registry (LBR). It is against the aforesaid that the Management of the Authority deemed it necessary not to withhold GST from vendors. Furthermore, vendors complained against the precedent back in 2011-2013 when the Authority withheld GST and an understanding was reached that all vendors will not get payments out of the Authority system without a valid tax clearance from the Liberia Revenue Authority.*
- 1.4.2.13 *Going forward the Authority will ensure full remittance of withholdings on contractors and other consultants of the Authority. The Authority reforms are well on course and audit recommendations are being implemented in record time.*

Auditor General's Position

- 1.4.2.14 A payment plan should be crafted and agreed between the Management of LiMA and the Management of LRA for full settlement of all arrears relative to personal income tax and goods and service tax. Management should budget for and ensure full compliance to the terms of the agreed payment plan. Management should also ensure that future personal income tax and goods and serviced tax are withheld and remitted to the government revenue account within ten days after the end of the preceding month.
- 1.4.2.15 Going forward, Management should, in compliance with Section 806 (a) (3) of the Revenue Code of Liberia as Amended 2011, withhold and remit GST from its vendors and suppliers whether or not the vendors / suppliers have business registration and tax clearance.
- 1.4.2.16 Evidence of remittance including original copies of flag receipts and other supporting records should be adequately documented and filed to facilitate future review.

1.4.3 Non-remittance of NASSCORP's Contributions

Criteria

- 1.4.3.1 Section 89.16(a) of the NASSCORP New Act and published February 13, 2017 states that "The contribution payable under this Act in respect of an employee shall comprise contribution payable by the employer (hereinafter referred to as the employer's contribution) and contribution payable by the employee (hereinafter referred to as the employee's contribution) and shall be paid to the Corporation. Contribution rate shall be total 10% of the total gross remuneration of each employee; 2% under the Employment Injury Scheme payable by the employer; 4% employer contribution and 4% employee contribution to be remitted by the employer."

Observation

- 1.4.3.2 During the audit, we observed that the National Social Security Corporation (NASSCORP) employees' contributions withheld by Management and Management's contributions amounting to US\$1,224,850.78 for FY2020-FY2023 were not fully remitted during the periods under audit. **See table 8 for details.**

Table 8: Non-Remittance of NASSCORP Contributions

Audit Period	Management Contribution (6%) US\$	Employee Contribution (4%) US\$	Total US\$
30-Jun-21	175,296.00	133,657.93	308,953.93
31-Dec-21	104,411.00	71,086.30	175,497.30
31-Dec-22	194,499.00	150,404.70	344,903.70
31-Dec-23	237,301.00	158,194.85	395,495.85
Total	711,507.00	513,343.78	1,224,850.78

Risk

- 1.4.3.3 Management may be non-compliant with NASSCORP General Regulation of 2018 which may result to penalties and fines.
- 1.4.3.4 Retirees of LiMA may be denied the required pension benefits due to non-compliance with the regulation.
- 1.4.3.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

Recommendation

- 1.4.3.6 A payment plan should be crafted and agreed between Management and NASSCORP Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan. Management should also ensure that future employers' contributions are adequately provided for in the approved budget on an annual basis (where applicable).
- 1.4.3.7 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.4.3.8 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.
- 1.4.3.9 Evidence of remittances of monthly social security contributions and all relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.4.3.10 *The Management takes note of the finding and clarifies that as in the case of the personal income tax withholdings some payments were also made to the National Social Security and Welfare Corporation (NASSCORP). Due to a crippling of the entity's generating capacity by Covid these payments could not be made due to the lack of funds. However, the Authority has followed the prior year recommendations and has received a payment plan from NASSCORP (herewith attached) to include any amounts due in 2024. It is also worth noting that the Authority has already made a payment of US\$497,363.71 (herewith attached) to reflect contributions due for January-September 2024 and balances outstanding in 2023. By February 2025, another US\$500,000.00 will be remitted to NASSCORP to offset the contributions due for October-December 2024 and outstanding balances for 2022 and period prior while the Management is being current with 2025 payments. The Authority is committed to ensure that all withholdings due NASSCORP will be remitted so that employees will have access to the fund upon retirement.*

Auditor General's Position

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

1.4.4 Irregularities Associated with Personnel Records Management

Criteria

- 1.4.4.1 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".

1.4.4.2 Section 2.1.2 (1-8) of the Human Resource Policy and procedural Manual of the Liberia Maritime Authority states that "The requirements for employment shall include the followings:

- A letter of application;
- Credentials (copies of degrees, diploma and /or transcripts where applicable) in support of qualification(s);
- Personal History form obtained from the HRD;
- Two (2) letters of recommendation; one from previous employer and another from a reliable source;
- Police clearance;
- Six (6) passport size photographs of the applicant
- Medical certificate
- Other requirements deemed necessary or appropriate by the HRD.

Observation

1.4.4.3 During the audit, we observed the following irregularities associated with the maintenance of the entity's personnel records for the periods under audit:

- The personnel listing did not include key information such as date of employment, identification number, date of birth and basic salary of staff for easy verification and monitoring purposes.
- Also, we observed in some instances that Management did not adequately maintain personnel records such as Letters of Application, Letters of Recommendation, Police Clearance, and some Personnel History Forms were not approved by Management and several files did not have six passport size photos as required for the periods under audit. **See annexure 3 for details.**

Risk

1.4.4.4 The lack of a comprehensive personnel listing may impair effective monitoring of employees of the entity.

1.4.4.5 Management may be non-compliant with Section 2.1.2 (1-8) of the Human Resource Policy and procedural Manual of the Liberia Maritime Authority.

- 1.4.4.6 Failure to maintain essential personnel records may lead to Management inability to manage or regulate the activities of its personnel effectively.
- 1.4.4.7 Management may recruit staffs that do not meet the required qualification and experience to contribute to the overall objectives of the entity. This may impair the achievement of the entity's objectives.

Recommendation

- 1.4.4.8 Management should develop a comprehensive personnel listing to include the date of employment, assigned department/section, identification number, qualification, date of birth and basic salary of staff as required.
- 1.4.4.9 Management should ensure that all employees' files are updated to contain essential documents such as letter of applications, letter of employment, contracts, credentials, term of reference, police clearances, medical certificates, Personnel Action Notice (PAN), etc. to enable Management regulate the activities of its personnel effectively.
- 1.4.4.10 Management should institute periodic review / inspection of personnel files to validate the completeness of personnel records.
- 1.4.4.11 Management should institute an electronic document management system by scanning all documents in employees' files and create electronic files for each employee. This control will facilitate more effective document retention and archiving system, along with manual records.

Management's Response

- 1.4.4.12 *The Management takes note of the audit finding and herewith states that it will ensure proper personnel listings with the required fields that are currently omitted be maintained on a month-to-month basis.*
- 1.4.4.13 *Furthermore, the Management effectively handles its Human Resource filing process. Regular checks are carried out by the internal auditors. However, some documents may have gotten missing during our move from our 20th Street Headquarters to our New Global Headquarters in Congo Town and, while conducting the routine checks and updates as well as during the changing of files from older ones to newer ones. Management will endeavor to create a data base maintaining the scanned documents for all its employees. The Management will also ensure that all the files listed in the finding are updated with the missing records after a thorough review. Additionally, the Commissioner/Chief Executive Officer has instructed that all files of personnel be reviewed and updated for further reference by both the internal and external auditors.*

Auditor General's Position

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

1.4.5 No Evidence of Employees Performance Appraisal

Criteria

- 1.4.5.1 Section 3.5 paragraph 3 and 4 of the LiMA Human Resource and Procedure Manual state that evaluation of an employee job performance shall be governed by the following procedures:
1. Each permanent employee shall be evaluated twice a year on his/her job performance, work habits and attitude towards fellow employees as the case may be period.
 2. Department heads are required to utilize evaluation forms provided by the HRD.
 3. Department heads must discuss with each employee the results obtained from the evaluation prior to submission of the evaluation forms to HRD.
 4. The completed evaluation forms must be signed by the department head before submission to the head of HRD
- 1.4.5.2 The head of the HRD in consultation with the department heads shall analyze the results of the evaluation forms of the various departments and discuss the findings with each department head and employees where necessary. A comprehensive report shall be prepared on the evaluation and submitted to the Commissioner. Senior staff shall be evaluated by the Commissioner.

Observation

- 1.4.5.3 During the audit, we observed no evidence that Management conducted performance evaluation of its employees during the fiscal periods under audit as required.

Risk

- 1.4.5.4 The lack of periodic performance appraisal may lead to unnoticed and/or consistent poor performance by employees of the entity, thereby impairing the achievement of the entity's objectives.
- 1.4.5.5 In the absence of a documented performance evaluation system, employees development plan may not be achieved thereby impairing the achievement of the entity's objectives.
- 1.4.5.6 Employees may be promoted or demoted on a discretionary basis.

Recommendation

- 1.4.5.7 Management should facilitate the conduct of periodic performance evaluations for all staff. Performance goals should be clearly defined and documented for all positions.

- 1.4.5.8 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.
- 1.4.5.9 Management should solicit post feedback from employees about the fairness of the performance evaluation system and make adjustments where applicable.
- 1.4.5.10 Documentation for performance evaluation should be adequately filed to facilitate future review.

Management's Response

- 1.4.5.11 *The Management takes note of the audit finding and herewith states that it has taken steps, though after the audit period, to conduct regular performance appraisal of all staff of the Authority. On November 12, 2024, the Human Resource Department informed all heads of department that a performance appraisal for the period January-December 2024 was to be conducted for all staff in line with section 3.5 of the Human Resource and Procedural Manual of the Authority as revised in 2024 (copy of the memorandum herewith attached). The appraisals has since been submitted to the Human Resource Department pending a final report to the Commissioner/CEO for subsequent necessary personnel and administrative action where deemed necessary. Additionally, the Management will ensure that said evaluations are properly stored for future review as required.*

Auditor General's Position

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

1.4.6 Irregularities Associated with Personnel Attendance

Criteria

- 1.4.6.1 Section 5.1.2 paragraphs 2 and 4 of the LiMA Human Resource and Procedure Manual state that employees are required to sign the Attendance Register upon arrival at the office and before departing and at the end of the day. Any employee who signs the register fifteen minutes after the official prescribed working hour, with no valid reason, will be consider late.
- 1.4.6.2 A monthly record of each employee shall be kept by HRD and any employee with a total of five cases of lateness shall be dealt with in accordance with the Guidelines for Disciplinary Procedures and Policies. All employees, with the exception of the Commissioner and Senior Staff (Associate Director and above) must sign the Attendance Register maintained by HRD.

Observation

- 1.4.6.3 During the audit, we observed that the daily attendance logs were not adequately supervised or monitored by staff of the Human Resource Department.
- 1.4.6.4 No evidence that the human resource department (HRD) periodically performed spot checks of personnel to verify their attendance and presence at job at all times.

Risk

- 1.4.6.5 Failure to monitor and supervise personnel attendance records may result to compensation of non-deserving employees. This practice may cultivate an inappropriate work culture at the entity and may subsequently impair the operations and performance of the entity.
- 1.4.6.6 The absence of an accurate attendance log to monitor staff on a daily basis may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

Recommendation

- 1.4.6.7 Management should ensure that all staff sign the daily attendance records. The daily attendance sheet should include the following columns: name of employee, department, position, signatures and time for in and out periods.
- 1.4.6.8 Management should conduct periodic spot checks to ascertain the authenticity of the attendance records. The attendance records including spot checks records should be adequately documented and filed to facilitate future review.
- 1.4.6.9 Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work.

Management's Response

- 1.4.6.10 *The Management takes note of the audit finding and herewith states that the effective monitoring of employee's attendance could not be fully achieved due to the fact that the many of the employees were working from home for a larger part of the audit period. Though during the audit period this was not implemented, the Management has taken key steps to effectively ensure this finding is not repeated by implementing the following:*
- *The reinstitution of the staff movement log duly monitored by the Risk Management and Quality Assurance and the Internal Audit divisions,*
 - *The installation of a biometric machine to facilitate electronic sign-in and sign-out process at the global headquarters in Congo Town with the other installations to be completed in fiscal year 2025, and*
 - *The reinstitution of regular spot checks in 2024.*

Auditor General's Position

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

1.5 Procurement

1.5.1 No Evidence of Consultants Performance on Key-Deliverables

Criteria

- 1.5.1.1 Section 41. 1 (a-e) of the PPC Act, 2005 as amended and restated 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 contractor are in accordance with the terms of the contract. (d) determining when a contract has been successfully performed which will entitle the contractor to final payment; and (e) in the case of each contract awarded by the Procuring Entity, designating a contract administration officer who will have responsibility for the administration of the contract consistently with the requirements of this Act and the regulations".
- 1.5.1.2 Paragraph 4 bullet points 2 & 3 of the Consultancy Service Agreement states that "Provide a schedule of deliverables and associated scope of work, which shall be discussed and agreed to by the Contractor and the Authority and Provide a quarterly report on activities and along with any deliverables to the Authority and a final report at the end of the Agreement."

Observation

- 1.5.1.3 During the audit, we observed no evidence that ten (10) consultants who entered contracts with the LiMA performed on key deliverables as mentioned in their signed contracts / ToR's. Relevant documents were not provided for our review. **See annexure 4 for details.**

Risk

- 1.5.1.4 Consultants may not perform the required services nor not meet approved deliverables enshrined in the contract terms leading to non-achievement of value for money.
- 1.5.1.5 The entity may not obtain value for consultancy services paid for.

Recommendation

- 1.5.1.6 Management should provide evidence of the consultants' performance of approved services / deliverables as part of Management's response to this management letter.

- 1.5.1.7 Going forward, Management should ensure that the terms and conditions of all service contract are fully complied with to achieve value for money.
- 1.5.1.8 Management should also facilitate periodic performance appraisal for all consultants. Annual contract renewal for all consultants should be based on successful completion of approved services/deliverables. Evidence of successful completion of approved services/ deliverables should be adequately documented and filed to facilitate future review.

Management's Response

- 1.5.1.9 *The Management will take note of the fact that key deliverables were not attached and herewith states that going forward all contractors' deliverables and certificate of completion on a month-to-month basis will be attached on the requests before their payments are made.*

Auditor General's Position

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

1.6 Fixed Assets Management

1.6.1 Irregularities Associated with Fixed Asset Management

Criteria

- 1.6.1.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item: the date and other details of the voucher or other document on which the items were received or issued; their serial numbers where appropriate; and their distribution to individual locations and the total quantity held."

Observation

- 1.6.1.2 During the audit, we observed the following irregularities associated with the Fixed Assets Management System:
- There was no evidence of a Fixed Assets Management Policy.
 - The Fixed Asset Register did not contain all the relevant columns: depreciation expense, accumulated depreciation and net book value
 - No evidence of periodic reconciliation of between the fixed register and the fixed assets ledgers.
 - There was no evidence of periodic physical verification of assets by Management.
 - There was no evidence of movement of assets form.
 - Fixed Assets within a given vicinity was not displayed in a fixed asset log as required by the PFM.

Risk

- 1.6.1.3 Fixed Assets may be misstated (Over/understated).
- 1.6.1.4 Fixed Assets may be damaged or impaired but their values are still on the books.
- 1.6.1.5 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.6.1.6 The lack of asset movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 1.6.1.7 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the entity's objectives.
- 1.6.1.8 In the absence of a Fixed Assets policy, expenditures may be inadvertently capitalized.

Recommendation

- 1.6.1.9 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.
- 1.6.1.10 Management should ensure that the fixed assets register is updated to reflect the following columns: description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.6.1.11 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.
- 1.6.1.12 The Fixed Assets Register should be updated periodically to reflect all entity's assets.
- 1.6.1.13 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.6.1.14 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of assets.

Management's Response

- 1.6.1.15 *The Management takes note of the Commission's audit finding and herewith states that there actually exists a full policy regarding assets management found on Pages 18-20 of the Finance and Accounting Manual as revised in 2018. There was a further amendment to section 6.3.9 in May of 2019. At the Authority, the Department of Finance ensures the proper*

calculation of depreciation and capturing of all assets in the financial statements while the Fixed Assets Register and verification is managed by the Fixed Assets team of the Authority. The Management will review the existing Assets Register and ensure that it meets the standards required by the Commission. Attached are the policies guiding assets management of the Authority for the periods under audit.

- 1.6.1.16 *In addition, the Management will ensure periodic checks of all its Fixed assets. Furthermore, it will ensure that the necessary mechanisms are put in place to ensure the effective monitoring of movement of assets from one point to another.*

Auditor General's Position

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

1.7 Trade Receivable

1.7.1 Irregularities Associated with Trade Receivables

Criteria

- 1.7.1.1 Regulation O.24 of the Public Financial Management Act of 2009 amended and restated 2019 states "(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 copies of receipts or original documents to verify the correctness of the transactions".

Observation

- 1.7.1.2 During the audit, we observed the following irregularities associated with the management of trade debtors' accounts:
- The names of Trade Debtors were duplicated in the trade receivables ledgers account. Total number of debtors were observed to be 224. However, the number of debtor accounts recorded in the trade receivable ledger accounts were 525 as a result of repetition.
 - Debtor's account receivables were not coded or numbered.
 - Several transactions were recorded with inadequate narratives such as document (invoice) reference number.
 - Customer bills were not recorded timely. Some customers' bills were recorded two to three weeks after customers had paid on their accounts. **See annexure 5 for details.**

- Invoices billed to customers were not pre-numbered but were manually generated by the preparer in the department of vessel registration.
- There was no evidence of accounts receivables management policy
- Account receivables were not recorded in a comprehensive, accurate and timely manner
- There was no evidence of periodic write-off of significantly overdue receivables.

Risk

- 1.7.1.3 Receivables may be accrued, collected and written-off on a discretionary basis. This may lead to the under collection or misstatement of receivables.
- 1.7.1.4 The completeness and accuracy of receivables may not be assured; therefore, the financial statements may be misstated.
- 1.7.1.5 Fair presentation and full disclosures may be impaired when receivables are recorded in the wrong accounting period. Receivable balance and subsequently the financial statements may be misstated.
- 1.7.1.6 Failure to code or number trade debtor accounts may lead to duplication of accounts and or miss posting of amounts to wrong accounts.
- 1.7.1.7 Failure to include invoice numbers in trade receivable payment transactions may lead to errors or fraud on customers' accounts.
- 1.7.1.8 Untimely recording of customers' bills may lead to errors and consequently the trade receivable account balance may be misstated.
- 1.7.1.9 In the absence of a pre-numbered automated invoicing system, the completeness of revenue may not be assured.

Recommendation

- 1.7.1.10 Management should perform a comprehensive reconciliation of the trade receivable ledgers, aggregate similar debtor accounts, assign unique codes to individual debtor accounts and ensure that all transactions related to specified debtors are comprehensively and accurately recorded in the debtors' accounts consistent with the customer invoices, payment references, receipt numbers and other relevant supporting documents.
- 1.7.1.11 Management should develop, approve and operationalize receivables management policy to regulate the recognition, collection, adjustment and management of accounts receivables.

- 1.7.1.12 The policy should include a specified period for follow-up on debt collection and clearly defined actions to be undertaken at each specified period. The policy should also include provision for adjustment and write-off of accounts receivables consistent with required regulations.
- 1.7.1.13 Account receivables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Receivable should be disclosed in the notes to the financial statements.
- 1.7.1.14 Management should establish regular intervals for receivable aging analysis to monitor the age of receivables and implement the specified actions to be taken based on the age of the debt consistent with the receivables management policy. The schedule should contain the following: names of the receivables, address of the receivables, contacts of receivables, date of recognition, initial invoice, payments, additional invoices, current receivables balance, and age grouping.
- 1.7.1.15 Going forward, Management should ensure that provisions for receivables and the Accounts Receivable Aging Analysis are included in the notes to the financial statements. These analyses will enable Stakeholders/Users of the financial statements to ascertain the 'trend' relating to collectability, and correct net realizable value of the trade receivables.
- 1.7.1.16 Management should periodically analyze account receivables to identify slow moving and or impaired receivables and adjust/write-off consistent with policy. All receivable write-off should be reviewed and approved by the relevant authority before execution.
- 1.7.1.17 Management should perform periodic reconciliation of receivable balances by reconciling accounts receivable ledgers to customers' statements, receivable confirmation, and the receivable aging analysis. Variances identified should be investigated and adjusted where applicable in a timely manner.
- 1.7.1.18 Customers' bills should be recorded with same day value dates of the transactions to avoid omission of transactions. Where there are outstanding bills, customer bills should indicate balance brought forward for each new bill generated. This will enhance the reconciliation of debtor accounts.
- 1.7.1.19 All invoices for subsequent bill to customers should be prenumbered in a sequential order. Management should facilitate post reconciliation of invoices to customers to ensure that all invoices were issued and recorded comprehensively and accurately.

Management's Response

- 1.7.1.20 *The Management takes note of the audit findings and herewith clarifies that delays in some entry comes from the lack of proper documentation as in the proof of payment from the client. In these instances, the proof of payment by the client are not delivered to the Authority as of the same date of the deposit and the use of the monthly bank reconciliation will detect such remittances from clients recorded on bank statements but not in the Authority's cashbooks. Hence, the bank reconciliations are signed and approved after the payment date hence the entry will be made beyond the actual date of payment. The management will ensure a monthly reconciliation of receivables as the revised finance manual as of May 2024 mandates a wholistic review of receivables from year to year.*
- 1.7.1.21 *The Management states that after a review of the system the amount in the subsidiary ledgers for clients are herewith verified and advise that the number of debtors as per the subsidiary ledger is correct and does not include any duplication.*

Auditor General's Position

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

1.7.2 No Provision for Expected Credit Loss

Criteria

- 1.7.2.1 IFRS 9 acknowledges that every loan and receivable has at least some probability of defaulting in the future; every loan or receivable has an expected credit loss associated with it—from the moment of its origination or acquisition. Therefore, entities should calculate Expected Credit Losses by:
- (a) identifying scenarios in which a loan or receivable defaults;
 - (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen;
 - (c) multiplying that loss by the probability of the default happening; and
 - (d) summing the results of all such possible default events.

Observation

- 1.7.2.2 During the audit, we observed that Management reported Trade Receivables without evidence that Management made provisions for Expected Credit Losses in accordance with IFRS 9. **See table 9 for details.**

Table 9: Expected Credited Losses

Fiscal Period	Account Receivable Balance US\$
July 1, 2020 – June 30, 2021	776,876.05
July 1- December 31, 2021	653,665.76
January 1 – December 31, 2022	1,056,865.30
January 1 – December 31, 2023	1,179,324.04

Risk

- 1.7.2.3 Failure to recognize a loss allowance for expected credit losses, account receivable balance may be overstated.
- 1.7.2.4 Receivables may be impaired and may not be valued and /or reported at their recoverable amounts; thus, the financial statements may be misstated.
- 1.7.2.5 The completeness and accuracy of receivables may not be assured; therefore, the financial statements may be misstated.
- 1.7.2.6 In the absence of a receivables ageing schedule, receivables may not be reliably monitored, evaluated and collected in a timely manner.

Recommendation

- 1.7.2.7 Management should adjust the financial statements to include in the notes a current expected loss model and an Accounts Receivable Aging Analysis.
- 1.7.2.8 Going forward, Management should ensure that current expected credit loss analyses and the Accounts Receivable Aging Analysis are included in the notes to the financial statements. These analyses will enable Stakeholders/Users of the financial statements to ascertain the 'trend' relating to collectability, and correct net realizable value of the trade receivables in the statement of financial position.
- 1.7.2.9 Management should provide a documentation outlining the basis for its estimates as well as its reasonableness. Basis and probability for impairment of receivables and the calculation of expected credit losses should be adequately documented and filed to facilitate future review.

Management's Response

- 1.7.2.10 *The Management takes note of the audit recommendation and will ensure that the adjustment be reflected in the notes of the financial statements as well as ensure the attachment of an aging analysis of all account receivables.*
- 1.7.2.11 *Additionally, Management takes note of the Commission's recommendation and herewith clarifies that the Authority will start implementing the inclusion of expected credit losses on its financial statements. The Management further agrees that it shall ensure the provision of evidence for such estimates and will ensure that such documents are stored by hard and soft copies for ease of future reference.*

Auditor General's Position

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

1.8 Payable Management

1.8.1 Irregularities associated with Trade Payable Management

Criteria

- 1.8.1.1 Regulation O.24 of the PFM Act of 2009 amended and restated 2019 states "Head of Government Agency shall ensure that his accounts are properly maintained and are correct at all times. (2) Ahead 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 copies of receipts or original documents to verify the correctness of the transactions.

Observation

- 1.8.1.2 During the audit, we observed the following irregularities associated with payable management:
- There was no evidence of account payable management policy,
 - Account payable was not recorded in a comprehensive, accurate and timely manner,
 - There was no evidence of account payable aging analysis,
 - There was no evidence of periodic review of significantly overdue payable.
 - Accounts payable ledger for FY2023 did not reconcile with the Accounts Payable balance in the general ledger. There was a variance of \$3,591.00. **See table 10 below**

Table 10: Irregularities Associated with Trade Payable Management

Financial Statement Amount US\$ A	Trade Payable Schedule Amount US\$ B	Variance US\$ C=(A-B)
355,619.25	359,210.25	(3,591.00)

- There was no evidence of periodic (monthly) reconciliation of creditors' accounts to the general ledger
- Transactions were recorded without adequate narratives
- Transactions were not recorded in a timely manner.

Risk

- 1.8.1.3 Payables may be incurred, paid and written-off on a discretionary basis. This may lead to the over payment or misstatement of payables.
- 1.8.1.4 The completeness and accuracy of payables may not be assured; therefore, the financial statements may be misstated.

- 1.8.1.5 In the absence of a payables ageing schedule, payables may not be reliably monitored, evaluated and disbursed in a timely manner.
- 1.8.1.6 Fair presentation and full disclosures may be impaired when payables are recorded in the wrong accounting period. payables balance and subsequently the financial statements may be misstated.

Recommendation

- 1.8.1.7 Management should develop, approve and operationalize payables management policy to regulate the recognition, disbursement, adjustment and management of accounts payables.
- 1.8.1.8 The policy should include a specified period for follow-up on credit purchases and clearly defined actions to be undertaken for prioritizing payments. The policy should also include provision for adjustment and write-off of accounts payables consistent with International Financial Reporting Standards.
- 1.8.1.9 Account payables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Payables should be recognized upon receipt of invoice and subsequent receipts of goods or service (where applicable).
- 1.8.1.10 Management should establish payables aging analysis to monitor the age of payables and implement the specified actions to be taken based on the age of the credits consistent with the payables management policy. The schedule should contain the following: names of the payees, address of the payees, contacts of payees, date of recognition, initial invoice, payments, additional invoices, current payables balance, and age grouping.
- 1.8.1.11 Management should periodically analyse account payables to identify overdue payables and adjust/write-off consistent with policy. All payables write-off should be reviewed and approved by the relevant authority before execution.
- 1.8.1.12 Management should perform periodic reconciliation of payables balances by reconciling accounts payables ledgers to vendors' statements, payables confirmation, and the payables aging analysis. Variances identified should be investigated and adjusted where applicable in a timely manner.

Management's Response

- 1.8.1.13 *The Management takes note of the audit finding and herewith clarifies that said adjustment had already been made. A vendor name was not included in the account payable field triggering the variance. However, the correction has been made and the financial statements and the trade payable balances reflect the same total. The existing revised finance manual of 2024 now reflect all policies surrounding payables and receivables.*

Auditor General's Position

- 1.8.1.14 We acknowledge Management's acceptance of our findings and recommendations and subsequent adjustments of the financial statements and the associated trade payable ledger. We will follow up on the implementation of our recommendations during subsequent audit.

1.8.2 Non-Recognition of Provision for Contingent Liability

Criteria

- 1.8.2.1 Paragraph 14 of the International Accounting Standard (IAS) 37 Provisions, Contingent Liabilities and Contingent Assets Provisions states "A provision shall be recognized when: (a) an entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision shall be recognized".

Observation

- 1.8.2.2 During the audit, we observed no evidence that Management made provision for an illegal dismissal case involving a staff Daniel B. Stewart for which the Division of Labor Standards of the Ministry of Labor (MOL) had ruled that the entity pay the amount of US\$30,000.00 as paid-off for 'unfair labor practice'. The case, was heard beginning August 2021 through and up to 30th June 2023 when ruling was handed down. **See exhibit 1.**
- 1.8.2.3 However, we observed no evidence that Management made provisions for the recognition or disclosure of a contingent liability in keeping with IAS 37 in this regard.

Risk

- 1.8.2.4 Fair presentation and full disclosure of the financial statements may be impaired.
- 1.8.2.5 Management may be non-compliant with Paragraph 14 of the International Accounting Standard (IAS) 37 Provisions, Contingent Liabilities and Contingent Assets Provisions.

Recommendation

- 1.8.2.6 Management should adjust the financial statements to disclose in the notes to the financial statements the contingent liability for periods ended December 31, 2021 and December 31, 2022.
- 1.8.2.7 Management should adjust the financial statements to recognize the contingent liability of US\$30,000.00 for period ended December 31, 2023 in accordance with the MOL Hearing Officer's ruling and as required by IAS 37.

- 1.8.2.8 Going forward, Management should adequately provide for contingent liability consistent with IAS 37.

Management's Response

- 1.8.2.9 *The Management takes note of the audit finding and will ensure that the financial statements for the periods listed will be adjusted with the requisite notes in 2021 and 2022 and will be accrued as at December 31, 2023 in line with IAS 37. Said actions will be taken before the Auditor General signature is affixed.*

Auditor General's Position

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

1.9 Revenue

1.9.1 Inconsistencies in the Recording of Inflows

Criteria

- 1.9.1.1 Regulation O.24 of the Public Financial Management Act of 2009 amended and restated 2019 states "(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 copies of receipts or original documents to verify the correctness of the transactions".
- 1.9.1.2 The third Paragraph Note under Section 3.3.1.7 of the Finance and Accounting Manual Revised 2019 states "Once a month the IAD will verify deposits by reconciling payment receipt to invoice and the bank statements".
- 1.9.1.3 In Note viii of the financial statements, Management disclosed that "LiMA receives a significant amount of its revenue (income) from the international ship registry fund, which are principally funds received from ships flying Liberian flag. Such fees are recognized as long as no uncertainty as to their collectability exists and if certain other criteria are met. It is recognized on a basis that reflects timing, nature and value of the benefit provided".

Observation

- 1.9.1.4 During the audit, we observed the following inconsistencies in the treatment and recording of revenue inflows from the International Maritime Registry Fund:
- Some inflows were recorded by the bank at the gross inflow value and then charged the entity's account for its fees agreed at .5%

- There bank also recorded some revenue inflows on the bank account statement net of the agreed charge of .5%
- Similarly, Management also recorded these transactions in similar manner as the bank, at different times into the general ledger
- These inconsistencies at sometimes led to errors in recording both the actual inflow amounts and the corresponding bank charges in the general ledger. **See table 11 below for details.**

Table 11

Date	Transfer Full Amount US\$ A	Amount per GL US\$ B	Difference US\$ C=(A-B)
2/3/20211	191,861.31	190,903.00	958.31

Risk

- 1.9.1.5 The completeness and accuracy of revenues and expenditures may not be assured; therefore, financial statements may be misstated. Revenue and expenditure may be understated.
- 1.9.1.6 Fair presentation and full disclosure may be impaired.

Recommendation

- 1.9.1.7 Going forward, Management should liaise with their bankers to ensure that revenue is recorded at gross value and associated bank charges are separately recorded in the bank statements. Management should also facilitate similar disaggregated recording of gross revenue and associated bank charges in the general ledger and financial statements.
- 1.9.1.8 Evidence of bank transfers, banks statements and all other relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.9.1.9 *The Management takes note of the audit finding and states that it will liaise with all its banks to ensure that there exists consistency in recording the inflows of funds to the Authority's accounts. Management will advise those institutions that all necessary charges on inbound transfers be debited for the sake of proper reporting.*

Auditor General's Position

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

1.10 Assurance Management

1.10.1 No Policy on Staff Advances

Criteria

- 1.10.1.1 Regulation A.5 of the Public Financial Management (PFM) Act of 2009 amended and restated 2019 states “(1) A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating: A. the duties to be performed by specified officers, B. the accounts to be kept and returns to be submitted, and C. such other instructions as may be required for the proper conduct of the financial matters of the Government agency. (2) The accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts. (3) The accounting manual under sub-regulation (2) shall conform to any enactment, or any particular directions concerning accounts issued by the Minister”.

Observation

- 1.10.1.2 During the audit, we observed no evidence of a policy on staff advances within the entity.

Risk

- 1.10.1.3 In the absence of a policy on staff advances, the granting of salary advance, recording, monitoring and repayment of advances may be discretionarily administered by approving authorities.

Recommendation

- 1.10.1.4 Management should develop, approve and operationalize a policy on staff advances. The policy should include provisions for the maximum amount that can be approved on the basis of gross salary of the employee and repayment terms and conditions. The approved policy should be communicated to staff across the entity.

Management’s Response

- 1.10.1.5 *The Management takes note of the Commission’s finding and will ensure that its Risk Management and Quality Assurance work closely with its Legal, Finance and Human Resource Departments to draft a standard operating procedure and a policy around staff advances. Said policy will be presented to the Board of Directors for approval.*

Auditor General’s Position

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

1.10.2 Lack of Policy on Corporate Social Responsibilities (CSR)

Criteria

- 1.10.2.1 Regulation A.5 of the Public Financial Management (PFM) Act of 2009 amended and restated 2019 states "(1) A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating: A. the duties to be performed by specified officers, B. the accounts to be kept and returns to be submitted, and C. such other instructions as may be required for the proper conduct of the financial matters of the Government agency. (2) The accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts. (3) The accounting manual under sub-regulation (2) shall conform to any enactment, or any particular directions concerning accounts issued by the Minister".

Observation

- 1.10.2.2 During the audit, we observed no evidence of a policy on corporate social responsibility (CSR) for the entity. However, we observed that Management made the following CSR payments during the periods under audit. **See table 12 for details.**

Table 12: Lack of Policy on Corporate Social Responsibility

Fiscal Period	Amount US\$
July 1, 2020 - June 2021	27,150.00
July 1, 2021 – December 31, 2021	12,930.00
January 1 – December 31, 2022	145,000.00
January 1 – December 31, 2023	39,008.00

Risk

- 1.10.2.3 Disbursement of corporate social responsibility funds without an approved policy may lead to funds being disbursed on a discretionary basis thereby facilitating misappropriation.
- 1.10.2.4 Discretionary CSR payments without solicitations may facilitate financial malpractices.

Recommendation

- 1.10.2.5 Management should provide substantive justification for disbursing CSR without an approved policy.
- 1.10.2.6 Management should develop, approve and operationalize a policy on CSR. The approved policy should include provision for the nature, threshold, targeted beneficiaries and the level of authorizations of CSR transactions.

- 1.10.2.7 Evidence of approved CSR Policy and all other relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.10.2.8 Management should ensure that controls are adhere to. Bi-monthly cash status report should prepare timely, monthly reconciliation of cash deposit slips to invoices and the bank statement should be conducted timely. Variances should be identified, investigated and corrected in time.
- 1.10.2.9 Evidence of reconciliation should be filed for future review.

Management's Response

- 1.10.2.10 *The Management herewith clarifies that it inherited a corporate social responsibility (CSR) policy that existed since 2009 (herewith attached) when the institution was still the Bureau of Maritime Affairs. The Management was fully cognizant that the existing policy could not guide the current CSR functions of the Authority. Again, though after the audit period, the Management has fully drafted a revised comprehensive Corporate Social Responsibility Policy which has been approved by the Board of Directors. The Management has also attached the revised Corporate Social Responsibility Policy as approved by the Board of Directors along with the resolution of the Board effecting the aforesaid approval.*

Auditor General's Position

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

Prior Year Audit Recommendation Status

Source / Reference	Finding	Recommendation	Implementation status
1.1.1.2 Property, Plant and Equipment Discrepancy	During the audit, we observed that the notes to the financial statements classes of assets amounting to US\$321,204 were aggregated and disclosed as fixed assets within the Property, Plant and Equipment disclosure notes. See table 1 in report.	Management should disaggregate and reclassify the items to their specific asset categories under PPE as described below so as to provide more relevant information for decision making.	Fully Implemented
1.1.2.2 Construction - in -Progress	During the audit, we observed that interest and other charges in the amount of US\$34,534.14 relating to a short-term borrowing of US\$500,000.00 used to finance LiMA's national headquarters was expensed during the period contrary to the above standard.	Management should adjust the accounts to properly recognize and reclassify the related borrowing cost.	Fully Implemented
1.1.3.6 International Registry Fund	During the audit, we could not ascertain the completeness and accuracy of total revenue transferred to LiMA from LISCAR due to the lack of the source value of revenue (i.e., total revenue collected by LISCAR and associated service cost.)	Management should provide explanation for not providing adequate records on total revenues generated under the International Registry Fund.	Not Implemented
1.1.3.7	We also observed that the financial statements provided by the Agent are not comparable to those of LiMA due to differences in reporting periods; hence, we could not ascertain the accuracy and completeness of the International Registry Funds. We also did not obtain evidence of associated cost thereby impairing our ability to determine the completeness and accuracy of the revenue reported under the International Registry Funds.	Management should ensure that the Agent facilitates access to financial records of revenue generated by the Agent and associated cost incur by LISCAR under the International Registry Fund.	Not Implemented

Source / Reference	Finding	Recommendation	Implementation status
Obsolete Inventories 1.1.4.3	We observed during the audit that inventories amounting to US\$2,398 were acquired in 2009 and has since not been used.	Management should write off balance of obsolete inventory through the appropriate authority.	Fully Implemented
1.1.5.4	The items were observed to be obsolete and are still being carried at their historical cost in the financial statements.	Management should ensure that procurement of inventories is initiated on a need basis and used for their intended purpose in a timely manner.	
Irregularities Associated with NASSCORP Contributions 1.1.5.4	During the audit, we observed that Management understated the employers' contribution due to NASSCORP by US\$25,247.81. See analysis in Table 2 in report.	Management should adjust the financial statements by the understated amount and resubmit same to the office of the Auditor General.	Fully Implemented
1.1.5.5	We further observed that Management did not remit to NASSCORP, the total amount of US\$176,428 which were deducted and withheld from employees.	A payment plan should be crafted and agreed between Management and NASSCORP Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan.	Fully Implemented
1.1.5.6	It was also observed that Management had not timely remitted NASSCORP contributions withheld in past and current reporting periods.	Management should facilitate full payment of employees' and employer's contributions to NASSCORP on a consistent and timely basis. Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of	Fully Implemented

Source / Reference	Finding	Recommendation	Implementation status
		employees' social security contributions. Going forward, Management should ensure compliance with the regulation as provided above.	
Non-Remittance of Income Taxes 1.1.6.2	During the audit, we observed that income taxes withheld amounting to US\$383,270 were not remitted to the Liberia Revenue Authority as required by the Revenue Code evidenced by the outstanding balances at year end for prior and current years. See table in report.	Management should ensure full remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.	Partially Implemented
Non-Presentation of Finance Cost 1.1.7.2	During the audit, we observed that Management did not present in the statement of profit or loss, finance cost of US\$44,551.51 associated with a restructured short-term loan as required by IAS 1.82A; Instead, the amount of finance cost was summed and reported under administrative expenses contrary to the presentation requirement.	Management should adjust the financial statements to properly present finance cost on the face of the Statement of Profit or Loss and Other Comprehensive Income.	Fully Implemented
Understated Accounts Receivables 1.1.8.2	During the audit, we observed that a customer's account receivable balance was understated by US\$8,168.10. See table 3 in report.	Management should automate the customers' billing system and maintain customers' ledger accounts to the extent that as payments are received on bills, the customer's ledgers are automatically credited to keep track of balances due. Management should ensure that appropriate policy and procedures are in place to capture and maintain records of all bills generated and collected. Management should adjust the	Fully Implemented

Source / Reference	Finding	Recommendation	Implementation status
		financial statements.	
Unconfirmed Account Receivable Balances 1.1.9.2	During the audit, we observed that accounts receivables totaling US\$419,690.52 were circularized with customers for confirmation. However, there was no response to confirmation from several of the customers. See table 4 in report.	Management should perform regular customers' account reconciliation to have comfort over individual debtor receivable balances. Management should facilitate the timely receipt of receivables confirmation during subsequent audits.	Partially Implemented FSA
Non-Recognition of Expected Credit Losses 1.1.10.4	During the audit, we observed that account receivables totaling US\$101,450.00 showed significant increased credit losses. See table 5 in report.	Management should recognize a credit loss for the past due amount of US\$101,450.00 and should adjust the financial statements to reflect the recoverable value of the trade receivable balance.	Fully Implemented
Non-Functional Board of Directors 1.2.1.3	During the audit, we observed that there was no evidence of a functional board due to the lack of periodic board reports and board meeting minutes.	Management should liaise with the appropriate authorities to ensure the entity's board of directors is constituted in keeping with Section 12 (3) and Section 10 (1) of the LiMA Act of 2010.	Fully Implemented
Vouchers not properly filled out 1.2.2.2	During the audit, it was observed that payment vouchers totaling US\$116,800.00 were written in figures only and not written in words. See the table 6 in report.	Management should ensure that amounts on payment vouchers are written in both words and figures in strict adherence to Regulation P.9 (4) of the PFM Act.	Fully Implemented

Source / Reference	Finding	Recommendation	Implementation status
Inadequate Controls Over Receivables Management 1.2.3.4 1.2.3.5 1.2.3.6	During the audit we observed the following irregularities associated with accounting for receivables:	Management should establish a receivable management policy that contains the schedule for collection, actions for non-collections, provisions, adjustment, etc.	Partially Implemented
	The entity does not have a receivable policy to drive the collection and management of receivables.	Management should maintain a subsidiary ledger for each debtor to enhance proper accountability for the receivable balances and collections from customers. These schedules should include: date of transaction, name of debtor, address and contact details of debtor, additions (invoice), subtractions (payments) and running balance.	Fully Implemented
	The receivable schedule does not include the age/origin of receivables.	Management should periodically analyze account receivables to identify slow moving and or impaired receivables and adjust consistent with policy.	Partially Implemented
IT Strategic Plan 1.2.4.2	It was observed during the audit that Management has not developed an IT strategy.	The IT strategy should identify gaps and recommend solutions to aid LiMA achieve ICT operation objectives.	Not Implemented
		Management should establish a strategic committee to adequately address the IT governance issues which include formulating strategic direction and reviewing major investments that relate to enterprise governance.	Not Implemented

Source / Reference	Finding	Recommendation	Implementation status
Overstated Accounts Receivables 1.1.1.2	During the audit, we observed that customers account receivable balances were overstated by US\$2,150. See table 1 in report.	<p>Management should automate the customers' billing system and maintain customers' ledger accounts to the extent that as payments are received on bills, the customer's ledgers are automatically credited to keep track of balances due.</p> <p>Management should ensure that appropriate policy and procedures are in place to capture and maintain records of all bills generated and collected.</p> <p>Management should adjust the financial statements.</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Fully implemented</p>
Inadequate Documentation 1.1.8.2	During the audit, we observed that the Management made several payments totaling US\$17,610.59 without relevant evidence to validate the rightfulness of these payments as indicated in the See table 5 in report.	Management should provide substantial justification with supporting records of evidence for said payments or be held to account for the payments totaling US\$17,610.59.	Fully Implemented
No Evidence of Three Quotations 1.1.9.2	During the audit, we observed that the Management made payments amounting US\$2,400.00 representing the cost of catering services without evidence of three quotations as reflected in Table 6 in report.	Management of LiMA should provide evidence for at-least three quotations to valid payments made for catering or be held reliable for the US\$2,500.	Fully Implemented
Insufficient Evidence for Payments 1.1.10.2	During the audit, we observed that the Management made several payments totaling US\$14,070.00 with insufficient evidence or inadequate documentation for payments, out of which the amount totaling US\$3,345.00 is unaccounted for representing	LiMA's Management should provide records of sufficient evidence to validate payments as indicated in column five of table A or be held accountable for the number of bags of rice value at US\$3,345.00.	Fully Implemented

Source / Reference	Finding	Recommendation	Implementation status
	employees who did not signed for bags of rice as seen in the tables 7A and table 7B in report.		

Exhibit

It is the considered opinion of this Investigation that the facts adduced by the Complainant are worthy of this Investigation's consideration for which the Complainant is indeed entitled to redress for the grave act of Unfair Labour Practices meted out against him (Complainant) when he was abandoned by his employer at the critical point of his problems as if Defendant/Management was now interested in his demise. This inference was given weight by the don't care approach exhibited by Management's Lawyers in the case at bar, basis of this Default Judgment.

RULING

Considering the current state of health of the Complainant wherein he is unable to even secure any job to earn a living to support his family, coupled with the fact that Defendant/ Management had since deprived him of his monthly salary of \$500.00USD along with all other supplies, thus increasing his hardship, it is the candid opinion of this Honourable Investigation and therefore herein order that Defendant/Management retroactively pays the Complainant his outstanding salary arrears from November 2018 to July 2023(57 months) in the amount of \$28,500.00USD (Twenty Eight Thousand Five Hundred United States Dollars) plus his accrued monthly supplies and then resume his treatment responsibility until he gets well; hereafter, his monthly salary shall also be paid until he gets well and returns to work. In lieu hereof, Management is hereby ordered to pay to the Complainant the total amount of \$30,000.00USD (Thirty Thousand United States Dollars) as Paid-Off so that the Complainant may take charge of himself hereafter.

This is consistent with Section 30.3 (f) of the Decent Work Act (DWA).

AND IT IS HEREBY SO ORDERED.

RELIANCE

1. Chapter 9, Subsection 9.4 (b) of the DWA – Default Judgment
2. Chapter 30 Subsection 30.3 (f) of the DWA – Total incapacity or disability compensation.
3. Civil Procedure Law 11CLR Chapter 25, Subsection 25.1 – Judicial notice of law.
4. Same book, Chapter 25, Subsection 25.4 – Best evidence.
5. Same book, Chapter 25, Subsection 25.5 – Burden of proof and quantum of evidence.

GIVEN UNDER MY HAND AND SEAL OF THIS MINISTRY THIS
30th DAY OF JUNE A.D. 2023

SIGNED: _____

Charles M. Tuiamp
ASST. DIRECTOR/SR. HEARING OFFICER
DIVISION OF LABOUR STANDARDS
MINISTRY OF LABOUR

Annexures

Annexure 1: Inaccuracy of Statement of Cashflows

Liberia Maritime Authority (LiMA) Statement of Cash Flows (Reperformed) For the fiscal period July 1 – December ended 31, 2023	
Cash Flows from Operating Activities	
Profit (Loss) for the year	(607,513.00)
Adjustments to reconcile Surplus to net Cash Provided: by Operating Activities:	
Depreciation and Amortization Expense	129,626.00
Changes in Payables and Accruals	1,324,929.00
Changes in Receivables and Prepayments	(75,152.00)
Total Cash from Operating Activities	1,379,403.00
Net Cash from Operating Activities	771,890.00
Cash Flow from Investing Activities:	
Acquisition of Fixed Assets	(1,825.00)
Building and Improvements	-
Land Revaluation Gain	-
Leasehold Improvements	-
Construction -in-Progress	-
Net Cash Flow from Investing Activities	(1,825.00)
Cash from Financing Activities	
Ecobank Short-Term Facility	(164,395.00)
Ecobank Restructured Facility	-
Net Cash from Financing Activities	(164,395.00)
Net Cash Increase/Decrease for the Period	605,670.00
Cash at the Beginning of Period	28,826.00
Cash at the End of the Period	7,995.00
Net Change in Cash for the Period	20,831.00
Variance	584,839.00

Annexure 2: Non-Withholding & Remittance of GST

Audit Period	Vendors @ 1% Petroleum	Vendors @ 4%	Consultant/Contractors @ 10%	Total
30-Jun-21	536.80	28,814.55	13,078.33	42,429.68
31-Dec-21	268.10	7,191.68	13,476.60	20,936.38
31-Dec-22	759.66	17,317.51	21,130.00	39,207.17
31-Dec-23	1,613.61	48,755.89	23,125.00	73,494.50
Total	3,178.17	102,079.63	70,809.93	176,067.73
30-Jun-21				

Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
4G Printers, Inc.	900.00	36.00	-	-
A & E International Corporation	985.00	39.40	-	-
African American Enterprise	8,475.00	339.00	-	-
African Books and Stationery Store	58,405.00	2,336.20	-	-
Auto Link	1,000.00	40.00	-	-
Brussels Airlines	2,060.22	82.41	-	-
Catteeo Rental Services	2,930.00	117.20	-	-
Dukes Tech Solution	125.00	5.00	-	-
Eagle Electrical Corporation	5,507.25	220.29	-	-
Expert Travel Services	27,136.00	1,085.44	-	-
Favor Marketing Inc	33,150.00	1,326.00	-	-
Fidelity Solutions Inc.	23,333.31	933.33	-	-
Front Page Africa	500.00	20.00	-	-
Fumigation of PSC building	1,000.00	40.00	-	-
GBK Motors	750.00	30.00	-	-
Global Tech Media Solution	130.00	5.20	-	-
God's Wisdom Business Center	8,365.00	334.60	-	-
Hardlineville Car Rental	5,000.00	200.00	-	-
In Profile Daily Newspaper	600.00	24.00	-	-
International Law Group	72,000.00	-	-	7,200.00
Jeety Trading Corp	3,628.00	145.12	-	-
JILUX General Merchandise	1,921.00	76.84	-	-
KAP Consulting Inc.	10,000.00	400.00	-	-
Liberia Media & Marketing Corporation	1,200.00	48.00	-	-
Liberia Observer Corporation	600.00	24.00	-	-
Madris Logistic, Inc.	38,500.00	1,540.00	-	-
Make Things Happen, Inc.	22,825.00	913.00	-	-
Master Trading Center	795.00	31.80	-	-
Matrix Media Inc	13,615.00	544.60	-	-
Mature Print	158,899.40	6,355.98	-	-
Monrovia Auto Detailers	10,000.00	400.00	-	-

Modern Image Consultancy Inc.	450.00	18.00	-	-
New Democrat Corporation	1,200.00	48.00	-	-
Office Ideas	305.00	12.20	-	-
Pacific Resource Ent. Inc	1,310.00	52.40	-	-
Playzah Business Center	2,470.00	98.80	-	-
Real Estate Development Inc.	2,500.00	100.00	-	-
Rent A Car International	18,715.00	748.60	-	-
RLJ Kendeja Resort and Villas	300.00	12.00	-	-
Scotts Industrial Construction Inc.	412.00	16.48	-	-
Searchlight Communication Inc.	600.00	24.00	-	-
Smart System	20,001.00	800.04	-	-
Super Petroleum	53,680.00	-	536.80	-
The People Newspaper	700.00	28.00	-	-
Thunder Bird Corporation	1,150.00	46.00	-	-
Victor Printing Services	3,600.00	144.00	-	-
Vivid Trading Center	121,175.40	4,847.02	-	-
West Bank Reality Construction, Inc.	5,385.00	215.40	-	-
Zwanna Auto Workshop	70,455.00	2,818.20	-	-
Sea Breeze Security Enterprise Inc	17,500.00	700.00	-	-
White Water Armored Guard	9,800.00	392.00	-	-
Contractor Employees (July - June 2021)	178,317.00			17,831.70
Total	1,024,360.58	28,814.55	536.80	25,031.70

31-Dec-21				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
A M Sea View Residence	998.00	39.92	-	-
African American Ent	3,055.00	122.20	-	-
African Books and Stationery Store	7,015.00	280.64	-	-
Brussels Airlines	1,410.00	56.40	-	-
Catteeo Rental Services	280.00	11.20	-	-
Consolidated Group, Inc.	897.00	35.88	-	-

31-Dec-21				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
Earlbert Medical Services, Inc.	210.00	8.40	-	-
Expert Travel Services	35,228.00	1,409.12	-	-
Freedom Printing Press	100.00	4.00	-	-
GBK Motors	520.00	20.80	-	-
God's Wilson Business Center	7,525.00	301.00	-	-
JOS Travel & Tours, Inc.	604.00	24.16	-	-
Kadi Wholesale Cameron Cleaning	2,700.00	108.00	-	-
Madris Logistic, Inc.	1,000.00	40.00	-	-
Make Things Happen, Inc.	2,300.00	92.00	-	-
Contractor Employees (July - December 2021)	134,767.00	-	-	13,476.70
Mature Print	60,387.25	2,415.49	-	-
NP Liberia Limited	8,140.00	-	81.40	-
Oussaili Store	586.00	23.44	-	-
SATCON	180.00	7.20	-	-
Smart System	1,500.00	60.00	-	-
Stargate Technologies	1,500.00	60.00	-	-
Super Petroleum	18,666.68	-	186.67	-
Vivid Trading Center	31,345.75	1,253.83	-	-
Zwanna Auto Workshop	20,450.00	818.00	-	-
Total	341,364.68	7,191.68	268.07	13,476.70

31-Dec-22				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
African American Enterprise	2,230.00	89.20	-	-
African Books and Stationery Store	16,582.50	663.30	-	-
AM Seaview Residence Corp.	655.00	26.20	-	-
Bai T. Communications, Inc.	5,000.00	200.00	-	-
Beever Company Inc.	1,158.00	46.30	-	-
Blessed Hand Aluminum Group Of Companies,	700.00	28.00	-	-

31-Dec-22				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
Inc.				
Boima Folly Sports Center	2,000.00	80.00	-	-
Brussels Airlines	3,484.10	139.36	-	-
Catteeo Rental Services	439.00	17.56	-	-
City Builders Inc.	5,147.50	205.90	-	-
City Stationery Center	29,960.50	1,198.42	-	-
Computer Shop	2,500.00	100.00	-	-
Conex Energy Liberia, Inc.	72,651.90	-	726.52	-
Consolidated Group Inc	897.00	35.88	-	-
Contractor Employees (Jan. - Dec. 2022)	211,300.00	-	-	21,130.00
Destine Petroleum Inc.	20,450.00	818.00	-	-
Eagle Electrical Corp	5,791.00	231.64	-	-
Elite Bar & Restaurant	1,707.00	68.28	-	-
Expert Travel Services	19,999.00	799.96	-	-
God's Wisdom Business Center	1,600.00	175.28	-	-
H & A Corporation	4,382.00	175.28	-	-
Hardlineville Car Rental	10,000.00	400.00	-	-
Heritage Communications System Inc.	2,000.00	80.00	-	-
Home Depot Stores	177.00	7.08	-	-
JC & CJ Group of Companies	9,140.00	365.60	-	-
Jimmy Snacks Kitchen	725.00	29.00	-	-
Jos Travel & Tours Inc.	10,317.00	412.68	-	-
Kadi Wholesale Cameron Cleaning	3,900.00	156.00	-	-
Kadi's Bar & Restaurant	1,500.00	60.00	-	-
Make Things Happen, Inc.	3,000.00	120.00	-	-
Management Safety & Services (LIB), Inc.	1,905.00	76.20	-	-
Mature Print	160,216.25	6,408.65	-	-
New Democrat Corporation	950.00	38.00	-	-
New Era Publication, Ltd	375.00	15.00	-	-
NP Liberia Limited	3,313.95	-	33.14	-

31-Dec-22				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
Primar Marketing & Research Group Inc.	1,211.76	48.47	-	-
Rent A Car International	900.00	36.00	-	-
SATCON	360.00	14.40	-	-
Searchlight Communication Inc.	600.00	24.00	-	-
Stargate Technologies, Inc.	1,500.00	60.00	-	-
The Vantage Group, Inc.	1,400.00	56.00	-	-
Vivid Trading Center	44,252.00	1,770.08	-	-
Zwanna Auto Workshop	51,044.75	2,041.79	-	-
Total	717,422.21	17,317.51	759.66	21,130.00
31-Dec-23				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
A M Sea View Residence	1,718.00	68.72		
African American Ent	3,490.00	139.60		
Auto Elegance Inc.	4,565.00	182.60		
Bai T. Communications Inc.	2,200.00	88.00		
Bezaleel + Turnkey Contractors, Inc.	7,000.00	280.00		
Boima Folley Sports Center	995.00	39.80		
Cinderella Travel and Tours, Inc.	10,440.00	417.60		
City Stationery Center	131,939.75	5,277.59		
Clear Water Armored Guard	15,400.00	616.00		
Conex Energy Liberia, Inc.	161,092.55	-	1,610.93	
Connect Services Liberia, LLC	22,575.00	903.00		
Contractor Employees (Jan. - Dec. 2023)	231,250.00			23,125.00
Creatix Group of Companies	69,651.95	2,786.08		
Daily Observer	650.00	26.00		

31-Dec-22				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
Eagle Electrical Corporation	6,675.00	267.00		
Elite Bar & Restaurant	750.00	30.00		
Expert Travel Services	25,027.00	1,001.08		
Front Page Africa	200.00	8.00		
GESCO	75.00	3.00		
Global Media Network Center, Inc.	3,060.00	122.40		
God's Wisdom Business Center	2,700.00	108.00		
H & A Corporation	2,485.00	99.40		
Hadearst Comp Store	10,180.00	407.20		
Hardlineville Car Rental Services, Inc.	8,050.00	322.00		
Home City	105.00	4.20		
Hot Pepper News Paper	5,900.00	236.00		
In Profile Daily, Inc.	750.00	30.00		
JC & CJ Group of Companies	21,855.00	874.20		
JILUX General Merchandise	7,475.00	299.00		
Jos Travel and Tours	104,704.00	4,188.16		
Land Star Engineering and Transport Services, Inc.	4,500.37	180.01		
Lion Stationery Store	557.00	22.28		
LR & Sons	5,020.00	200.80		
MADRIS LOGISTIC, INC.	3,000.00	120.00		
Make Things Happen, Inc.	8,550.00	342.00		
Matelco Inc.	2,855.00	114.20		
Mature Print	325,320.42	13,012.82		
New Democrat Corporation	900.00	36.00		
NP Liberia Limited	268.00	-	2.68	
Planet-PC Liberia Inc	1,750.00	70.00	-	
P-Priat Services	191,544.00	7,661.76		
Radio Holland	1,400.00	56.00		
Razzouk Bros.	600.00	24.00		
Rent A Car International	5,930.00	237.20		

31-Dec-22				
Vendors	Amount US\$	4% GST	1% GST	Contractors/ Consultants 10%
RIA Hotels Resorts Inc.	1,980.00	79.20		
Royal Grand Hotel	1,750.00	70.00		
Sahara International Inc.	660.00	26.40		
Sea Breeze Security Enterprise Inc.	25,000.00	1,000.00		
Sharks Entertainment Inc.	1,680.00	67.20		
Smart Systems	3,000.00	120.00		
Sport Palace Business Center	3,000.00	120.00		
Stargate Technologies, Inc.	1,500.00	60.00		
Stop & Shop Supermarket, Inc.	1,801.35	72.50		
Sunu Assurances Liberia Ltd	3,247.00	129.88		
Susuku Magic Hand	1,600.00	64.00		
Tayo Motors Liberia Inc.	1,424.00	56.96		
LR & Sons	4,860.00	194.40		
The Analyst Newspaper	900.00	36.00		
The Independent	2,700.00	108.00		
Thomas Catering Services	450.00	18.00		
Vinjim Consult Systems	1,100.00	44.00		
Vivid Trading Center	60,843.75	2,433.75		
Zwanna Auto Workshop	78,847.45	3,153.90		
Total	1,611,496.59	48,755.89	1,613.61	23,125.00

Annexure 3: Irregularities Associated with Personnel Management

No	Name	Comment
1	Saah, Augustine	No evidence of credentials and two letters of application
2	Aluxious Thompson	No Credentials, no personal History.
3	Anderson, Rolander T.	No evidence of six passport size pictures
4	Bestman, Pewun	No evidence of Credential
5	Capehart, Spurgeon	No evidence of application letter and Credential.
6	Charles N. Sawyer	No letter of application.
7	Cherue, Jay-Kai W.	No evidence of two Recommendation Letters
8	Davies, Yankee	No evidence of Application Letter, One Letter of Recommendation
9	Diamond Martin	No medical certificate, no Police Clearance.

Annexure 3: Irregularities Associated with Personnel Management

No	Name	Comment
10	Frank M. Talawally	No Letter of Recommendation, Employee died since October 12, 2020.
11	Gardiner, Theophilus M.	No evidence of Application Letter and Recommendation Letters
12	Gwaikolo, Donald T.	One Recommendation Letter seen.
13	Isaac Tweh	No letter of application, no letter of recommendation, no Credentials.
14	Isidore R. Nah	No letter of application.
15	Jacob Jones	No Letter of Recommendation in his file.
16	Juty, Saytakon T.	No evidence of Police Clearance.
17	Keita Lanssana	No evidence of two Recommendation Letters
18	Khakie, David	No evidence of Credential
19	Kollie, Emmanuel	Only one Letter of Recommendation was seen.
20	Kortor, Stephen	Only one Letter of Recommendation was seen.
21	Lowah Kennedy	No evidence of Credential, one Letter of Recommendation was seen.
22	Michael Roberts	Employee died March 19, 2019,
23	Momolu, Jamesetta G.	No evidence of Police Clearance.
24	Osang, Hennista W.N.	Only one Letter of Recommendation was seen.
25	Sando Wessethus	No letter of application, no letter of Recommendation.
26	Solomon, Marwolo	No evidence of credential.
27	Stephen Saliah Kowo	No Letter of Recommendation
28	Traub, Gola	Only one Letter of Recommendation was seen and no evidence of Police Clearance.
29	Varmah, George.	No evidence of six (6) Passport size pictures.

Annexure 4: Lack of Consultant Key-Deliverables

No	Name of Consultant	Position	Job Description Requirements- key deliverable documentations and reports Requested	Status of Request / Comment
1	Ajini Wesseh	n/a	N/a	No evidence of contract for the period under audit
2	Amos M.C. Duo	Search & Rescue Dispatcher	Provide a schedule of deliverables; Provide a quarterly report and final reports at the end of the Agreement.	No evidence of record of work done. No evidence of how contractor was recruited.
3	Ebrutus Y. Ricks	Policy Analyst Officer	Provide a schedule of deliverables; Provide a quarterly report and final reports at the end of the Agreement.	No evidence of record of work done. No evidence of how contractor was recruited.

No	Name of Consultant	Position	Job Description Requirements- key deliverable documentations and reports Requested	Status of Request / Comment
4	Esmond C. Wulue	Search & Rescue Dispatcher	Not specific in contract	No evidence of record of work done. No evidence of how contractor was recruited.
5	Joel Theoway	n/a	N/a	No evidence of contract for the period under audit
6	Leona L. Dennis	Training Consultant	Provide a schedule of deliverables; Provide a quarterly report and final reports at the end of the Agreement.	No evidence of record of work done. No evidence of how contractor was recruited.
7	Mahamood M. Sonii	Search & Rescue Dispatcher	Not specific in contract	No evidence of record of work done. No evidence of how contractor was recruited.
8	Moses K. Boah	Security Consultant; Monitoring Officer	Provide a schedule of deliverables; Provide a quarterly report and final reports at the end of the agreement; Track and monitor Liberia-flagged reefers engaged in the transshipment of frozen fish and goods; Operate all monitoring equipment at the Transshipment Monitoring Center; Ensure a 24 hours surveillance at the Center; Keep a log of all communications received; Report all suspicious activities observed at the Center;	No evidence of record of work done. No evidence of how contractor was recruited.
9	Otis Deah	Junior Environmentalist	Not specific in contract	No evidence of record of work done. No evidence of how contractor was recruited.

No	Name of Consultant	Position	Job Description Requirements- key deliverable documentations and reports Requested	Status of Request / Comment
10	Wellington Seah	n/a	N/a	No evidence of contract for the period under audit

Annexure 5: Untimely Recording of Invoices

Customer	Reference	Recording Date	Payment Date	Amount US\$	Days Late
Aduda Bangura	DEPOSIT SLIP#151454 on C/N-1472-19	10/9/2019	9/20/2019	285.00	19
ABI-DEHLI, INC.	ECOBANK REF: J01STDP233380197 ON C/N-1486-23		12/1/2023	3,060.00	
AMBA SHIPPING & LOGISTICS PRIVATE LIMITED	MRC-00049-23	6/12/2023	6/8/2023	6,200.00	4
Atlantic Shipping Stevedoring & Fishing	UploadRec66	6/30/2019	10/1/2018	437.44	272
Cavalla Brothers Corporation	MRC-00037-19	5/22/2019	5/21/2019	1,200.00	1
Christiana P. Diop	C/N-2485-20	7/2/2020	6/3/2020	275.00	29
Global Investment Consultancy Inc., K & S Stevedoring Company	MRC-00043-22	7/13/2022	7/12/2022	325.00	1
Hua Lee International Corporation	C/N-0005-23	12/27/2023	12/18/2023	1,250.00	9
Kokon Ecolodge	C/N-2667-23	7/5/2023	6/14/2023	125.00	21
Olivier Boly	C/N-2617-23	3/12/2023	3/2/2023	325.00	10
Reo International Ltd.	MRC-00038-20	6/24/2020	5/14/2020	850.00	41
River Sand Mining Company Ltd.	C/N -1473-19	9/17/2019	9/9/2019	2,750.00	8
Sass Town Transport and Development Agenda	C/N-2491-20	7/2/2020	6/25/2020	325.00	7

Customer	Reference	Recording Date	Payment Date	Amount US\$	Days Late
Sayronada Inc.		7/12/2022	6/7/2022	700.00	35
West Africa Maritime Security Consultancy	(Sys1288)	10/18/2021	9/17/2021	1,650.00	31
West Africa RFID Solution	MRC-00050-49	10/15/2019	10/10/2019	1,700.00	5
Anderson Chain of Companies	MRC-00036-23	5/25/2023	5/1/2023	700.00	24