

Management Letter

On the Financial Statements Audit of the Liberia Agriculture Commodity Regulatory Authority (LACRA)

For the For the Period January 1, 2024, through to June 30, 2025



Promoting Accountability of Public Resources

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

Monrovia, Liberia
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Acronyms

Acronyms	Meaning
AG	Auditor General
ASU	Accounting Service Unit
CBL	Central Bank of Liberia
COBIT	Control Objectives for Information and Related Technology
COSO	Committee of Sponsoring Organization of the Treadway Commission
FCCA	Fellow Certified Chartered Accountant
CFIP	Certified Forensic Investigation Professional
CFC	Certified Financial Consultant
MBA	Masters of Business Administration
FY	Fiscal Year
GAC	General Auditing Commission
GoL	Government of Liberia
HR	Human Resource
HRM	Human Resources Manager
IAD	Internal Audit Department
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standard
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
LD	Liberian Dollars
LACRA	Liberia Agriculture Commodity Regulatory Authority
LRA	Liberia Revenue Authority
MD	Managing Director
PFM Act	Public Financial Management Act of 2009
PFM Regulations	Public Financial Management Regulations of 2009
PPCA	Public Procurement & Concessions Act
PPCC	Public Procurement & Concessions Commission
SSC	Social Security Contributions

Hon. Christopher D. Sankolo
Director-General
Liberia Agriculture Commodity Regulatory Authority
Freeport of Monrovia, Bushrod Island
Monrovia, Liberia

17 August 2026

Dear Hon. Sankolo:

Re: Management Letter on the Financial Statements Audit of the Liberia Agriculture Commodity Regulatory Authority (LACRA) for January 1, 2024, to June 30, 2025.

The Financial Statements and Business Operations of the Liberia Agriculture Commodity Regulatory Authority (LACRA) for the period January 1, 2024, to June 30, 2025, are subject to audit by the Auditor General (AG) consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014 and the Audit Engagement Term of Reference.

INTRODUCTION

The audit of the Liberia Agriculture Commodity Regulatory Authority (LACRA) financial statements and Management's Operating Systems for the period January 1, 2024, to June 30, 2025, has been completed; the purpose of this letter is to bring to your attention the findings that were revealed during the conduct of the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY

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

An audit includes:

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

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

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

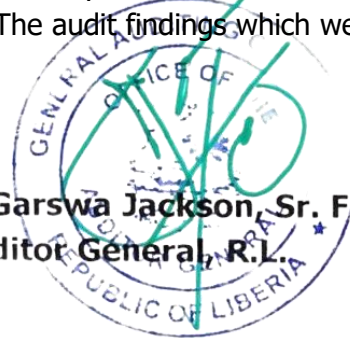
The financial statements, maintenance of effective control measures, and compliance with laws and regulations are the responsibility of the LACRA Management. Our responsibility is to express our opinion on these financial statements for the period January 1, 2024, to June 30, 2025.

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

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the LACRA Management and staff during the audit. The audit findings which were identified during the conduct of the audit are included below:

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



Monrovia, Liberia
August 2026

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance

1.1.1 Irregularities Associated with the Board of Directors

Criteria

- 1.1.1.1 The Organization for Economic Co-operation and Development (OECD) corporate governance principles requires that a board is set up to ensure that companies are effectively managed for the benefits of its shareholders. The OECD principles provide for leadership, effectiveness, accountability, remuneration, and relationship with shareholders as guidance for the operation of a board.
- 1.1.1.2 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."
- 1.1.1.3 Part X, Section 290 (3 &4), Specific Provisions Related to State Owned Enterprises, of the PFM Act of 2009 amended and restated 2019 states: (3) Pursuant to Section 60 of the Act, the Bureau of State Enterprises shall provide Dividend Policy Guidelines to be approved by the sector minister. (4) The Bureau of State Enterprises shall monitor compliance with the Dividend Policy Guidelines by the Boards of Directors of State Owned Enterprises.

Observation

- 1.1.1.4 During the audit, we observed the following irregularities associated with the Board operations:
- No evidence of Board By-laws
 - No evidence of established committees of the Board including an audit committee, nomination committee, remuneration committee, and budget and finance committee.
 - No evidence of dividend policy
 - No evidence that internal audit reports were discussed during meetings.
 - Members of the Board received different forms of remunerations; however, we observed no evidence of board resolution that established the approved remuneration packages for members of the board of directors. **See Table 1 for details.**

Table 1: Irregularities Associated with the Board Directors

Date	Payee	Description	Voucher #	Check #	Amount US\$
Board Remuneration Paid in FY 2024					
3-Jun-24	Josephine Francis	Board Fees	57	8979	1,000.00
1-Jul-24	Josephine G. Francis	Board Fees	83	8513	1,000.00
22-Jul-24	Josephine G. Francis	Board Fees	103	8533	1,500.00
22-Jul-24	Nathaniel T. Saah	Board Fees	104	8535	400.00
7-Aug-24	Josephine Francis	Board Fees	129	8570	500.00
3-Sep-24	Josephine George Francis	Board Fees	153	8595	1,000.00
6-Oct-24	Josephine G. Francis	Board Fees	193	8545	1,000.00
1-Nov-24	Josephine George Francis	Board Fees	218	104844	1,000.00
1-Nov-24	Ebenezer A Zonoe	Board Fees	219	104852	300.00
1-Nov-24	Nathaniel Saah	Board Fees	220	104850	400.00
1-Nov-24	Josephine George Francis	Board Fees	221	104851	500.00
1-Nov-24	Nathaniel Saah	Board Fees	222	104845	750.00
1-Nov-24	J. Alexander Nutah	Board Fees	223	104848	300.00
1-Nov-24	Lorpo G Kandakai	Board Fees	224	104849	300.00
1-Nov-24	Andrew Paygar	Board Fees	225	104853	300.00
3-Dec-24	Josephine George Francis	Board Fees	255	104884	1,000.00
3-Dec-24	Nathaniel Saah	Board Fees	256	104885	750.00
Total for FY 2024					12,000.00
Board Remuneration Paid from January-June 2025					
6-Jan-25	Josephine Francis	Board Fees	297	104931	1,000.00
6-Jan-25	Nathaniel T. Saah	Board Fees	298	104932	750.00
25-Jan-25	Josephine G. Francis	Board Fees	313	104955	1,000.00
25-Jan-25	Nathaniel T. Saah	Board Fees	314	104956	750.00
7-Apr-25	Josephine Francis	Board Fees	407	105055	1,000.00
7-Apr-25	Nathaniel T. Saah	Board Fees	407	105055	750.00
6-May-25	Josephine Francis	Board Fees	445	105088	1,000.00
6-May-25	Nathaniel T. Saah	Board Fees	446	105089	750.00
6-Jun-25	Josephine Francis	Board Fees	481	105132	1,000.00
6-Jun-25	Nathaniel T. Saah	Board Fees	481	105133	750.00
Total for (January-June) 2025					8,750.00

Risk

- 1.1.1.5 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution's objectives.
- 1.1.1.6 Management may override institutional policies and procedures that may adversely impact the operations of the entity.
- 1.1.1.7 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.

- 1.1.1.8 Failure to develop a by-law that will guide the activities of the Board may lead to arbitrary decisions by members of the Board. This may impair the achievement of the Board's mandates.

Recommendation

- 1.1.1.9 Management should liaise with the relevant authority of the Board to develop, approve and operationalize policies and procedures (by-laws) to regulate the activities of the Board. The policy should include provisions for the required number of Board members including statutory and non-statutory members, qualifications and experience of Board members (where applicable), tenure of office, roles and responsibilities of each statutory and non-statutory members, required committees including roles and responsibilities, required number of statutory meetings and provision for emergency meetings, approved board fees, sittings fees and other benefits (where applicable) and periodic roles and responsibilities of the Board of Directors.
- 1.1.1.10 The Chairman of the Board should liaise with the relevant authority at the Bureau of State-Owned Enterprises to develop, approve and operationalize policies and procedures to regulate the declaration and payment of dividends. The policy should include provisions for profits distribution to GOL and reinvestment into the entity; including payout ratios (percentage of earnings distributed), payment frequency (quarterly/annually), form of payment (direct budgetary support/ CSR project), and conditions for adjustment based on financial state of the entity.
- 1.1.1.11 Management should facilitate the conduct of periodic Board and Committees' meeting minutes. Board and Committees' 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.
- 1.1.1.12 The Board should also institute a platform for following-up on decision made at Board's meeting. 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.
- 1.1.1.13 Evidence of approved by-laws, dividend policy and all other relevant supporting records of the Board of Directors should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.1.1.14 *Management acknowledges the findings. However, the interim management confirms that drafting of Board By-laws has commenced and draft governance instruments are under review by the Board. Existing committees, including Budget & Finance and Legal Committees, are operational, while Audit, Nomination, and Remuneration Committees are being formalized through approved Terms of Reference. Management further*

confirms that procedures have commenced to regularize Board remuneration through formal Board resolutions. Internal Audit reporting protocols and governance documentation systems have also been instituted. Copies of draft By-laws, committee records, and sample Board minutes are available for audit verification.

Management's Response (Suspended Management)

- 1.1.1.15 *Management acknowledges the findings and recommendations. However, the Board was established and met severally, at least four (4) times, during the period under audit, evidence by minutes, resolutions, and attendance. Also, the Board established a number of committees that included legal, finance, and dispute resolution committees in 2025.*
- 1.1.1.16 *With the recommendations provided, the Board will ensure that it remains fully functional and all aspects of its activities properly carried out, including reviewing, adopting, and approving relevant policies, procedures, and processes on oversight and the operations of the Entity (LACRA).*
- 1.1.1.17 *Attached are minutes, resolutions, and related evidence of the board meetings.*

Auditor General's Position

- 1.1.1.18 Management assertions were not supported by documentary evidence. Management did not provide evidence of the draft Board of Directors' By-Laws, the approved terms of reference for the Nomination and remuneration committees, and board meeting minutes of operationalized board sub-committees (Finance, Budget and Legal Committees) as asserted by Management.
- 1.1.1.19 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2 No Evidence of 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.

Risk

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

Recommendation

- 1.1.2.6 Management should facilitate the establishment of a functional Monitoring and Evaluation Committee (M&E), evidenced 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 (Interim Management)

- 1.1.2.7 *Management acknowledges the finding. However, the interim management has initiated corrective measures including designation of responsible officers, development of draft M&E reporting templates, and integration of monitoring indicators into operational planning processes. Quarterly performance reporting mechanisms are being institutionalized to strengthen accountability, implementation tracking, and value-for-money assessment. Relevant records and draft instruments are available for review.*

Management's Response (Suspended Management)

- 1.1.2.8 *Management acknowledges the finding and recommendation. However, there was a M&E Officer assigned in the Program Unit. Going forward, Management will fully operationalize a functional Monitoring and Evaluation system, evidenced by the documentation of planned annual activities and periodic activities reports. Relevant reports and records on M&E activities will be properly documented and filed.*

Auditor General's Position

- 1.1.2.9 Management assertions were not supported by documentary evidence. Management did not provide evidence of the draft M&E reporting templates, and quarterly performance reporting mechanisms as asserted by Management.
- 1.1.2.10 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.3 No Evidence of Strategic and Operational Plans

Criteria

- 1.1.3.1 Regulation D.19 (1)(b) of the PFM Act of 2009 as amended and restated 2019 states that a head of a government entity shall "prepare a strategic plan which shall include a definition of the Government agency's mission, goals, objectives, outputs and activities;

- 1.1.3.2 Regulation D.22 entitled 'Budget Hearing' further states that: (1) "On receipt of estimates from ministries and agencies, the Minister shall cause to be conducted budget hearings to review strategic plans and estimates of the government agencies concerned in order to ensure that these plans and estimates are in accordance with the Government's macroeconomic policy and fiscal framework. (2) Where necessary, the Minister may require a government ministry or agency to make adjustments to its strategic plans and estimates in order to fulfill the requirements of the Government's macro-economic policy and fiscal framework."

Observation

- 1.1.3.3 During the audit, we observed that Management operated the entity without evidence of approved strategic and operational plans for the period under audit.

Risk

- 1.1.3.4 Long, medium and short-term goals of the entity may not be identified, pursued and implemented thereby impairing the achievement of the organization objectives.
- 1.1.3.5 Failure to develop policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.

Recommendation

- 1.1.3.6 Management should develop, approve and operationalize a strategic plan (for at least five years) cataloging long, medium and short-term goals, resources and strategies needed to achieve those goals and timelines for the implementation of goals cataloged therein. Subsequently, Management should develop, approve and operationalize annual operational plans to expedite the implementation of strategic goals on an annual basis.
- 1.1.3.7 The strategic and operational plans should be monitored and assessed on a periodic basis. Adjustments should be implemented where applicable.
- 1.1.3.8 Evidence of approved strategic and operational plans should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.1.3.9 *Management acknowledges the finding. However, the interim management has since developed and approved a five-year Strategic Plan defining institutional goals, outputs, and implementation priorities. In support of the Strategic Plan, annual operational planning frameworks are being institutionalized to guide yearly implementation activities and resource allocation. Copies of the approved Strategic Plan and associated implementation frameworks are available for audit verification.*

Management's Response (Suspended Management)

- 1.1.3.10 *Management acknowledges the finding and recommendations. The draft strategic plan*

was completed in March 2025. However, it was not finalized, approved, and launched until the first quarter of 2026.

- 1.1.3.11 *Going forward, Management will ensure that the strategic plan is fully operationalized with the development of annual operational plans that will be approved and monitored, with periodic M&E reports prepared and acted upon.*

Auditor General's Position

- 1.1.3.12 Management assertions were not supported by documentary evidence. Management did not provide evidence of the approved five-year Strategic Plan as asserted by Management.
- 1.1.3.13 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.4 No Evidence of Senior Management Meeting Minutes

Criteria

- 1.1.4.1 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

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

Risk

- 1.1.4.3 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

- 1.1.4.4 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.
- 1.1.4.5 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 (Interim Management)

- 1.1.4.6 *Management acknowledges the finding. However, the interim management confirms that regular Senior Management meetings have now been institutionalized to strengthen coordination, operational oversight, and decision tracking. Minutes are prepared, approved, sequentially maintained, and supported by action tracking logs identifying responsible officers and implementation timelines. Sample meeting minutes and action registers are available for audit verification.*

Management's Response (Suspended Management)

- 1.1.4.7 *Management acknowledges the finding and recommendations. However, there were several senior management meetings held, evidence by minutes and attendance.*
- 1.1.4.8 *Attached are minutes from senior management meetings held.*
- 1.1.4.9 *Going forward, Management will improve on its records on senior management meetings held with proper filing (manual and electronic) of records, and institute a platform for following-up on decisions made at meetings.*

Auditor General's Position

- 1.1.4.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of senior management meeting minutes as asserted by Management.
- 1.1.4.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.5 No Evidence of Annual Report

Criteria

- 1.1.5.1 Regulation M.11 (1-5) of the PFM Act of 2009 as amended and restated 2019 states that 'the board of directors of an enterprise shall, within two months after the expiry of each financial year to which the financial statements relate, submit an annual report to the Minister, the Sector Minister, the Auditor General and the Bureau of State Enterprises dealing generally with the activities and operations of the enterprise within that year. (2) The annual report shall include: (a) a copy of the audited accounts of the enterprise; (b) a statement of any directions given by the sector minister to the Board or Bureau of State Enterprise within that year in accordance with this Act and the enactment under which the enterprise exists; and (c) such other information as the sector minister may in writing reasonably request. (3) A copy of the annual report of the Board of Directors of an enterprise shall also be sent by the Board to the head of the Liberia Institute of

Statistics and Geographical Information Systems; the Governor of the Central Bank of Liberia; and any other person that the Minister may determine. (4) The Auditor General shall review the annual report and present his/her opinion to the Legislature alongside the audit report of government financial operations for the previous year'. (5) The Minister shall present a statement of the overall performance of State Owned Enterprises to the Legislature alongside the budget proposals for the following year.

- 1.1.5.2 Regulation C.3 (7) of the PFM Act of 2009 as amended and restated 2019 - A Line minister shall ensure the timely preparation of the periodic and annual financial statements and reports of the line ministry and agencies under him in accordance with these regulations and other enactments, and cause these statements and reports to be forwarded to the Minister, the Auditor General and the Comptroller General.

Observation

- 1.1.5.3 During the audit, we observed no evidence of annual reports prepared by Management for the period under review.

Risk

- 1.1.5.4 Significant activities, achievement, challenges and measures to mitigate challenges may not be adequately documented. This may impair institutional performance measurement and the development of remediation strategy to address existing challenges and constraints.
- 1.1.5.5 Information to facilitate institutional memory, expedite learning curves and provision of current administrative and operational status of the entity may not be available.

Recommendation

- 1.1.5.6 Management should facilitate the preparation and approval of administrative and operational activities reports on an annual basis. The reports should cover the proposed goals for the fiscal year, achievement against those goals, significant activities and challenges and measures to mitigate challenges in the near future. The report should also contain the entity audited financial statements (or at least a management account) to adequately inform stakeholders about the annual financial activities of the entity.
- 1.1.5.7 The report should be approved by the head of the entity and subsequently submitted to the Board of Directors, and the Offices of the Auditor General, the Comptroller and Accountant General and the sector minister (Minister of Agriculture). Evidence of approved annual administrative and operational activities reports should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.1.5.8 *Management acknowledges the finding. However, the interim management has since commenced preparation of annual institutional performance and operational reports incorporating key achievements, challenges, mitigation measures, and financial*

performance information. Approved reports are being maintained and submitted to relevant oversight institutions consistent with statutory requirements. Sample reports and reporting templates are available for audit verification.

Management's Response (Suspended Management)

- 1.1.5.9 *Management acknowledges the finding and recommendations. However, there was an annual report for 2024 submitted to the Board and the Office of the President.*
- 1.1.5.10 *Attached is the copy of the annual report submitted for 2024.*

Auditor General's Position

- 1.1.5.11 Management assertions were not supported by documentary evidence. Management did not provide evidence of Annual Reports for audit purposes as asserted by Management.
- 1.1.5.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.6 No Evidence of Audit Committee

Criteria

- 1.1.6.1 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."
- 1.1.6.2 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.
- 1.1.6.3 Regulation K.12. of the PFM Act of 2009 as amended and restated 2019 (1) Members of the Audit Committee shall be appointed by the Internal Audit Governance Board. (2) Membership of the Audit Committee shall consist of three or more persons as determined by the Internal Audit Governance Board, or any other enactment, each of whom shall satisfy independence, financial literacy and experience requirements and any other regulatory requirements. (3) The majority of the members of the Committee shall not be full-time employees of the government agency or organization and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing. (4) In the case of a Government Agency or state-owned enterprise, at least one person shall be from outside the public service. (5) At least one Committee member shall be a designated "audit committee financial expert" who shall be an accountant or auditor by profession or expert in the fields of accounting or auditing. (6) The Committee's Chairperson shall be designated by the Board or, if it does not do so, the

Committee members shall elect a Chairperson by vote of a majority of the full Committee. (7) The Committee may form and delegate authority to subcommittees when appropriate. (8) No committee member shall serve on the audit committees of more than three government agencies or organizations. (9) Committee members shall serve for a period of three years renewable for another period of three years only. (10) Committee members shall serve until their successors shall be duly elected and qualified. (11) Notwithstanding sub regulation 10, if a member ceases to be "independent", such person shall immediately resign as a Committee member.

Observation

- 1.1.6.4 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

- 1.1.6.5 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.
- 1.1.6.6 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

Recommendation

- 1.1.6.7 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 (Interim Management)

- 1.1.6.8 *"Management acknowledges the finding. However, the interim management has commenced with the Internal Audit Governance Board toward establishment of a compliant Audit Committee. Pending formal establishment, the Internal Audit Unit continues to perform pre- audit and internal control review functions to strengthen financial oversight and compliance monitoring."*

Management's Response (Suspended Management)

- 1.1.6.9 *"Management accepts the recommendation and will work with the Board to establish a functional audit committee. Management will also assist the Board by working with the Internal Audit Function and relevant departments, sections, and units in timely addressing audit issues to improve internal processes."*

Auditor General's Position

- 1.1.6.10 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.1.7 No Evidence of Training and Development Plan

Criteria

- 1.1.7.1 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".
- 1.1.7.2 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

- 1.1.7.3 During the audit, we observed no evidence that Management had a documented training and development plan for staff for FY 2024.
- 1.1.7.4 Additionally, we observed no evidence that the draft staff training and development plan for 2025 was approved by the board of directors as required.

Risk

- 1.1.7.5 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.
- 1.1.7.6 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.
- 1.1.7.7 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

- 1.1.7.8 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. The training plan should be approved by the Board of Directors.
- 1.1.7.9 Management should facilitate the execution of the training and development plan consistent with the approved schedule, monitor output from training for adjustments to future annual training and development plans.
- 1.1.7.10 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.1.7.11 *"Management acknowledges the finding. However, the interim management has begun the structuring of annual Training and Development framework has been developed to address identified technical and administrative capacity gaps across departments. Departmental capacity-needs assessments are being conducted to guide prioritization of training interventions. Upon completion, the annual training plan will be submitted to the Board for approval and implementation. Supporting records, attendance reports, and evaluation mechanisms will be maintained for oversight purposes."*

Management's Response (Suspended Management)

- 1.1.7.12 *Management acknowledges the findings and recommendations. However, the Board approved the annual work plan and budget for 2025 which included training and capacity development for personnel. Moreover, several employees benefited from training programs at LIPA and GONET in 2025.*
- 1.1.7.13 *Going forward, Management will ensure that a separate training and development plan is developed and approved annually to drive training and capacity development for personnel.*

Auditor General's Position

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

1.1.8 The Use of Personal Email for Business Purpose

Criteria

- 1.1.8.1 Sections 6 of the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia provides: (6) for the use of domain name such as .gov.lr by all Ministries, Agencies and Commissions (MACs). This assures citizens, residents, businesses, the international community and other stakeholders that they are accessing an official Government of Liberia site. The policy ensures domain name and integrity of domains within in the .gov.lr domain space as well as adherence to the .gov.lr domain space by all MACs of government through the Ministry of Posts and Telecommunications. All MACs under the Government of the Republic of Liberia shall operate within the .gov.lr domain space. • The .gov.lr and all third level domain name (MAC.gov.lr) shall be managed by the Ministry of Posts and Telecommunications through the Chief Information Office. • All gov.lr domain names must only be used for the official business of the MACs. • All third level domain name (MAC.gov.lr) must be used specifically and exclusively for the stated purpose.
- 1.1.8.2 Further, Regulation A.14 {(1), 2 a & c), (3a) and (4)} of the PFM Act of 2009 as amended and restated 2019 state: "(1) All public sector computerized electronic records and systems shall be consistent with an approved integrated financial management automated system consistent with the (IT) Security Policy issued by the Minister. (2a)

Each user of a computerized accounting, records, inventories, assets, human resource management, payroll or any similar system must be given a user identification number (User ID) and a password or personal identification number (PIN) by the system administrator. (2c) the system must be configured such that all passwords are encrypted to prevent any other person seeing the words. (3a) All computerized systems referred to in sub-regulation shall be configured such that, the audit trails, among other things, shall: (a) Show clearly the user ID, the time, the type of entry made on the system. And, (4) notwithstanding any provision in the Information Technology Policy of any government establishment, all system administrators shall ensure that users are limited to doing only assignments or tasks approved for them on the system”.

Observation

- 1.1.8.3 During the audit, we observed no evidence that Management facilitated the use of official email for the management and channeling of communications related to the entity. We observed that key personnel such as the Financial Comptroller, Procurement Director used their personal emails to conduct official business of the entity.

Risk

- 1.1.8.4 The use of personal email may lead to unauthorized access to sensitive or confidential information of the entity thereby impairing data privacy and security.
- 1.1.8.5 The use of personal email for managing and channeling communication may lead to permanent loss of business-related communication/email as the retrieval of lost emails from personal email accounts may be impaired.
- 1.1.8.6 Failure to ensure the use of official email, business communication/email records may not be monitored and retained for audits or legal purposes.
- 1.1.8.7 Management may be non-compliant with the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia.

Recommendation

- 1.1.8.8 Management should develop, approve and operationalize policies and procedures for the effective and efficient operations of the entity's official site for the management and channeling of communication/emails. The policy should comprehensively catalog the requirements for establishing and managing the site consistent with the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia as well as Regulation A.14 of the PFM Act of 2009 as amended and restated 2019.
- 1.1.8.9 Subsequently, Management should ensure that all email communications of the entity are facilitated through official email platforms to ensure data security and privacy are optimized.

- 1.1.8.10 Evidence of the approved policy for the entity's official site and the procedures for the management and channeling of the entity's communication/emails should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.1.8.11 *"Management acknowledges the finding. However, the interim management has commenced corrective measures to strengthen official communication systems, including the use of institutional email accounts for official correspondence, improved records retention procedures, and restrictions on the use of personal email for official transactions. Management has also coordinated with relevant government ICT authorities where necessary to ensure compliance with approved Government of Liberia domain and official communication requirements."*

Management's Response (Suspended Management)

- 1.1.8.12 *Management acknowledges the findings and recommendations. However, the Entity (LACRA) obtained a domain (@lacra.gov.lr) from the Ministry of Post and Telecommunications in 2025 and set up an email system which is fully operational. For example, the email address for the Director General, suspended, is cdsankolo@lacra.gov.lr*

Auditor General's Position

- 1.1.8.13 Management's assertions did not adequately address the issues raised. The financial comptroller (the appointed audit focal person) used his personal email address, gkerkulacooper@gmail.com, as his official medium of communication to address all correspondences with the audit team.
- 1.1.8.14 Therefore, we maintain 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.

Risk

- 1.2.1.3 In the absence of a 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 Annual internal budget and 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.
- 1.2.1.7 The budget committee should facilitate the revision and approval of the draft internal budget to ensure that projected revenue and expenditures are reflective of realistic estimates of planned activities of the entity. The committee should also facilitate the review of periodic budget performance reports. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.2.1.8 Periodic budget performance reports should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.2.1.9 *"Management acknowledges the finding. However, the interim management is also reviewing institutional staffing structures to formally incorporate budget management responsibilities consistent with public financial management requirements. Budget preparation, monitoring, and reporting functions are currently being coordinated through designated finance personnel under Management supervision."*

Management's Response (Suspended Management)

- 1.2.1.10 *Management acknowledges the finding and recommendations. We accept that the budget committee was not established in 2024 and it was due to the new management then setting up internal governance systems and processes as the Entity (LACRA) was literally not functional in all capacities. However, the committee was established in 2025 and became fully operational.*
- 1.2.1.11 *Please see attached minutes and related evidence of the activities of the budget committee.*
- 1.2.1.12 *Going forward, Management will continue to ensure that it maintains a functional budget committee to provide supervision of budget planning, execution, and reporting.*

Auditor General's Position

- 1.2.1.13 Management assertions were not supported by documentary evidence. Management did not provide evidence of Budget Committee Meetings minutes as asserted by Management.
- 1.2.1.14 Therefore, we maintain 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/Officer

Criteria

- 1.2.2.1 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

- 1.2.2.2 During the audit, we observed no evidence that Management established a functional Budget Unit or employed a Budget Officer to record actual revenue collection and expenditure disbursement in a timely manner, for the period under audit.

Risk

- 1.2.2.3 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

- 1.2.2.4 Going forward, Management should facilitate the immediate establishment of a Budget Unit, competitively hire/ internally recruit (where applicable) qualified and experienced budget officers/ accountants to manage the activities of the unit.
- 1.2.2.5 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.
- 1.2.2.6 The Budget Unit/Officer should perform periodic reconciliation among the financial statements, IFMIS ledger and the fiscal outturn reports. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.2.2.7 *"Management acknowledges the finding. However, the interim management has initiated measures to strengthen budget formulation processes through improved departmental participation, expenditure forecasting, and management review mechanisms. Going forward, annual budgets will be prepared using standardized planning assumptions, operational priorities, and available revenue projections to strengthen realism, accountability, and compliance with applicable fiscal frameworks."*

Management's Response (Suspended Management)

- 1.2.2.8 *Management accepts the finding and recommendations. Going forward, Management will recruit a budget officer to ensure that its budget planning, execution, and reporting activities are properly carried out.*

Auditor General's Position

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

1.2.3 Irregularities Associated with Annual Internal Budgets

Criteria

- 1.2.3.1 Regulation O.1.1&2 of the PFM Act of 2009 as amended and restated 2019 states "(1) All government agencies shall provide in their annual budgetary estimates, their expected revenue collections and internally generated funds. (2) A head of government agency is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their agencies, departments or office".

Observation

- 1.2.3.2 During the audit, we observed the following irregularities with the preparation of annual internal budgets of the entity:
- No evidence of an annual internal budget that comprehensively catalogued all projected sources of revenue and planned expenditures for FY2024.
 - The annual internal budget for FY 2025 was approved on April 4, 2025; three months after the budget period commenced.
 - Prior to the approval of the Budget for FY2025, Management made several payments amounting to US\$305,320.
 - Activities, receipts and expenditures of the IFAD-funded project were not catalogued in the internal budget for FY2025 as required.
 - No evidence of annual spending plans for the approved internal budget for FY 2025.

Risk

- 1.2.3.3 Projected revenue and expenditure may not be reliably estimated. This may lead to under collection of revenue and unapproved expenditures.

1.2.3.4 The platform to facilitate periodic budget performance review may not be established. This may lead to under collection of revenue and unapproved expenditures.

1.2.3.5 Management may not pursue and collect all projected revenue. Unplanned approved projected expenditures may facilitate misapplication and misappropriation of public funds.

Recommendation

1.2.3.6 Management should facilitate the preparation of annual budgets comprehensively cataloging all projected sources of revenue of the entity and planned expenditures. The annual budget should be subsequently approved by the Board of Directors. The annual budget should be approved before the commencement of the subsequent fiscal year. All unplanned expenditures should be subsequently approved by the Board of Directors before execution.

1.2.3.7 Evidence of approved annual budgets should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

1.2.3.8 *Management acknowledges the finding. However, the new management has commenced development of quarterly budget performance reporting templates to facilitate comparison between approved budgets, actual expenditures, revenue performance, and implementation variances. These reports will support management decision-making, corrective interventions, and improved fiscal accountability. Relevant records will be maintained for audit and oversight purposes.*

Management's Response (Suspended Management)

1.2.3.9 *Management acknowledges the finding and recommendations. We accept that internal budget was not prepared for 2024 and it was due to the new management then setting up internal governance systems and processes as the Entity (LACRA) was literally not functional in all capacities. However, annual internal budget was prepared for 2025, but there were some missteps along the way. We also accept that annual spending plan was not prepared as a separate document as required.*

1.2.3.10 *Going forward, Management will ensure that annual internal budget, annual spending plan, and related documents are properly prepared, reviewed, and approved timely before the execution of the budget and financial activities.*

Auditor General's Position

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

1.2.4 No Evidence of Periodic Budget Performance Reports

Criteria

- 1.2.4.1 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

- 1.2.4.2 During the audit, we observed that Management operated the entity without evidence of Quarterly Budget Performance Reports in FY2024.

Risk

- 1.2.4.3 In the absence of Quarterly and Annual Budget Performance Reports, revenue and expenditure may not be reliably measured. This may lead to under receipt of budgeted revenue and / or over expenditure.

Recommendation

- 1.2.4.4 Management should facilitate timely preparation of Quarterly and Annual Budget Performance Reports in line with the PFM Act of 2009 as amended and restated 2019.
- 1.2.4.5 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.
- 1.2.4.6 Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

Management’s Response (Interim Management)

- 1.2.4.7 *Management acknowledges the finding. However, the new management has commenced development of quarterly budget performance reporting templates to facilitate comparison between approved budgets, actual expenditures, revenue performance, and implementation variances. These reports will support management decision-making, corrective interventions, and improved fiscal accountability. Relevant records will be maintained for audit and oversight purposes.*

Management’s Response (Suspended Management)

- 1.2.4.8 *Management acknowledges the finding and recommendations. We accept that the quarterly budget performance reports for first and second quarters in 2024 were not prepared. This was due to the new management then setting up internal governance systems and processes as the Entity (LACRA) was literally not functional in all capacities. However, quarterly budget performance reports were prepared going forward.*

1.2.4.9 *Please see attached quarterly budget performance reports.*

1.2.4.10 *Going forward, Management will continue to ensure that it prepares quarterly and annual budget performance reports and submit timely for review and decision making.*

Auditor General's Position

1.2.4.11 Management assertions were not supported by documentary evidence. Management did not provide evidence of quarterly budget performance reports as asserted by Management.

1.2.4.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3 Financial Reporting

1.3.1 No Evidence of Approved Financial Manual

Criteria

1.3.1.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "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.

1.3.1.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires 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."

Observation

1.3.1.3 During the audit, we observed no evidence of an approved accounting manual to guide the financial management and accounting processes of the entity.

Risk

1.3.1.4 In the absence of approved financial manual, financial management and accounting transactions and processes may be performed on a discretionary basis which may be non-compliant with the PFM Act and Regulations.

Recommendation

1.3.1.5 Management should develop, approve and operationalize a comprehensive financial

manual, outlining all accounting procedures, processes, systems and controls to be used by staff of the entity's Finance Department. The manual should also catalog all processes over initiation, authorization and recording for each account balance and class of transactions.

1.3.1.6 Management should facilitate timely and periodic update of approved financial manual to reflect the current operations of the Finance Department and amendments made to the PFM Acts and Regulations.

1.3.1.7 Evidence of approved financial manual should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

1.3.1.8 *"Management acknowledges the finding. However, the new management has commenced review and development of a comprehensive Financial Manual intended to standardize accounting procedures, expenditure controls, approval hierarchies, financial reporting processes, and compliance requirements. Pending formal approval, Management continues to apply existing PFM regulations and MFDP guidelines as interim control measures. Draft policy instruments and related working documents are available for audit verification."*

Management's Response (Suspended Management)

1.3.1.9 *Management accepts the finding and recommendations. Going forward, Management will ensure that a comprehensive financial manual is developed, approved, and operationalized for the financial and accounting processes of the Entity (LACRA).*

Auditor General's Position

1.3.1.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of the draft financial manual for audit purposes as asserted by Management.

1.3.1.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.2 No Automated Financial Management System/ Accounting Software

Criteria

1.3.2.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "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.

- 1.3.2.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires 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.”

Observation

- 1.3.2.3 During the audit, we observed no evidence of an automated financial management system or accounting software to facilitate comprehensive, real-time and accurate recording of financial transactions.

Risk

- 1.3.2.4 The completeness and accuracy of accounting transactions may not be assured. This may lead to misstatement of the financial statements of the entity.
- 1.3.2.5 Accounting data security, integrity, completeness and accuracy may be impaired.
- 1.3.2.6 Management may not account for all of its transactions.

Recommendation

- 1.3.2.7 Management should procure and operationalize a functional accounting software to facilitate complete, accurate and real-time recording of all financial transactions of the entity.
- 1.3.2.8 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 general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.3.2.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

Management’s Response (Interim Management)

- 1.3.2.10 *"Management acknowledges the finding. However, the new management has initiated internal assessment processes toward acquisition and deployment of an appropriate computerized accounting and financial management system capable of strengthening transaction processing, reporting accuracy, audit trails, and financial oversight. Pending automation, Management has introduced enhanced supervisory review and reconciliation procedures to mitigate risks associated with manual processing."*

Management's Response (Suspended Management)

- 1.3.2.11 *Management accepts the finding and recommendations. Going forward, Management will procure and operationalized accounting software for the financial and accounting processes of the Entity (LACRA), and use in the preparation of financial reports and financial statements.*

Auditor General's Position

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

1.3.3 Inappropriate Financial Reporting Requirements

Criteria

- 1.3.3.1 Regulation X. 298-Books, Accounts and Audit, of the PFM Act of 2009 as amended and restated 2019 states:
- (1) A State-owned enterprise shall keep proper books of accounts and proper records in manner approved by its board of directors.
 - (2) For the purpose of Section 59 of the Act, the financial statements of the State Owned Enterprise shall comprise
 - a) a balance sheet of the assets and liabilities of the corporation as at the end of the year;
 - b) a statement of revenue and expenditure of the corporation for the year;
 - c) the cash flow statement of the corporation for the year.
 - (3) The financial statements shall be prepared and transmitted to the Auditor-General, the Minister, the sector minister, and the Bureau of State Enterprises by the head of the enterprise.
 - (4) The accounts submitted under Section 59 of the Act and this regulation shall:
 - d) be prepared in accordance with International Financial Reporting Standards and in accordance with any instructions issued by the Minister in consultation with the Auditor-General; and
 - e) state the basis of accounting used in preparation and identify significant departures from the principles and the reasons for the departure
- 1.3.3.2 The objective of International Financial Reporting Standards 1 (IFRS 1) – First-time Adoption of International Financial Reporting Standards is to ensure that an entity's first IFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high quality information that:
- a) is transparent for users and comparable over all periods presented;
 - b) provides a suitable starting point for accounting in accordance with International Financial Reporting Standards (IFRSs); and can be generated at a cost that does not exceed the benefits.

Observation

- 1.3.3.3 During the audit, we observed that the financial statements prepared by Management did not comply with the International Financial Reporting Standards (IFRSs) as required. Financial Statements were prepared using the International Public Sector Accounting Standards (IPSAS) non-compliant with the PFM Act of 2009 amended and restated 2019

Risk

- 1.3.3.4 Management may be non-compliant with Section 59(4A), Regulation I.11 and Regulation M9 (2, 3 of the PFM Act of 2009 as amended and restated 2019.
- 1.3.3.5 Fair presentation, full disclosure, understandability, comparability and reconciliation of the financial statements may be impaired.

Recommendation

- 1.3.3.6 Management should develop, approve and operationalize a plan to fully transition to IFRS as its financial reporting framework as mandated by the GoL and in accordance with the requirements of IFRS.
- 1.3.3.7 The approved transition should be fully operationalized within six (6) months after the issuance of the Auditor General's report to the National Legislature.

Management's Response (Interim Management)

- 1.3.3.8 *"Management acknowledges the finding. However, the new management has commenced review of reporting templates, classification structures, and supporting documentation processes to improve consistency, completeness, and reliability of financial disclosures. Additional supervisory review procedures are also being instituted prior to preparation and submission of financial reports."*

Management's Response (Suspended Management)

- 1.3.3.9 *Management acknowledges the findings and recommendations. Indeed, the IPSAS Cash Basis was used in the preparation of the financial statements. Management recognizes this shortcoming in not applying the IFRS for financial reporting as required by the Government for SOEs, including the Entity (LACRA). This is due to the complexity of the IFRS and, at the time, the Entity (LACRA) lack of preparedness, understanding and training of staff members from its Finance Office to use the IFRS.*
- 1.3.3.10 *Going forward, Management will develop, approve, and operationalize a plan to fully transition from the IPSAS Cash Basis to the IFRS. Management will do its best to transition within the six-month period stipulated and train Finance staff in the use of the IFRS.*

Auditor General's Position

- 1.3.3.11 Management assertions did not adequately address the issues raised. The financial statements prepared by Management did not comply with the International Financial Reporting Standards (IFRSs) as required.

1.3.3.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.4 Variances among Fiscal Outturn Report, Financial Statement and IFMIS Ledger

Criteria

1.3.4.1 Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019 stipulates that "the head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all subsidies or the financial administration of the monies voted by Legislature or applied by statute to, the services under the control of his or her ministry or agency".

1.3.4.2 Furthermore, Regulation E.1 (a) and (b) of the PFM Act of 2009 as amended and restated 2019 state that:

a) "Total aggregate allotments for a particular appropriation line in a given fiscal year may not exceed the amount appropriated for that line in the annual appropriations act, amended from time to time through budgetary reallocations made pursuant to Section 25 of the Public Finance Management Act 2009 and Supplementary Appropriations Acts;

b) Total payments for a detailed budget line in a given fiscal year may not exceed the allotments issued against that budget line".

Observation

1.3.4.3 During the audit, we observed that revenue (receipts) and expenditures from GoL recorded in the financial statements did not reconcile with the IFMIS Ledger and the Fiscal Outturn Report for FY 2024. **See Table 2B below for details:**

Table 2A: Variances among the Financial Statements, IFMIS General Ledgers, and Fiscal Outturn Report

Description	Financial Statements (US\$)	IFMIS Ledger (US\$)	Fiscal Outturn Report (US\$)
Compensation	425,043.38	406,692.51	412,818.00
Goods and Services	164,608.00	244,382.04	244,292.00
Purchase of Property, plant and Equipment	-	-	79,396.00
Total	589,651.38	651,074.55	736,506.00

1.3.4.4 Similarly, we observed that expenditures from GoL recorded in the financial statements for the six months ended June 30th, 2025 did not reconcile with the IFMIS Ledger as required. **See Table 2B below for details:**

Table 2B: Variances among the Financial Statement, IFMIS General Ledgers, and Fiscal Outturn Report

Description	Financial Statements (US\$) A	IFMIS Ledger (US\$) B	Variance C=A-B
Compensation	220,571.69	220,167.63	404.06
Goods and Services	160,000.00	0.00	160,000.00
Purchase of Property, plant and Equipment	0.00	0.00	0.00
Total	\$380,571.69	\$220,167.63	\$160,404.06

Risk

- 1.3.4.5 The completeness and accuracy of revenues and expenditures may not be assured. Therefore, the financial statements may be misstated. Management may not account for all of its transactions.

Recommendation

- 1.3.4.6 Management should account for the variances among the IFMIS Ledgers, the Fiscal Outturn Reports and the Financial Statements on an annual basis, comprehensively catalogued in Table 2A and 2B above, as part of Management's response to this Management Letter.
- 1.3.4.7 Going forward, Management should conduct periodic (monthly) reconciliation among the IFMIS Ledgers, Fiscal Outturn Reports and the Financial Statements. Variances identified should be investigated and adjusted where applicable in the timely manner. Evidence of periodic reconciliation should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.3.4.8 *Management acknowledges the variances identified between Fiscal Outturn Reports, Financial Statements, and IFMIS records. However, the new management has commenced periodic reconciliation procedures between IFMIS records, internal ledgers, and financial reports to improve consistency and accuracy of financial reporting. Additional supervisory review controls are also being implemented to strengthen validation of balances prior to final reporting.*

Management's Response (Suspended Management)

- 1.3.4.9 *Management acknowledges the findings and recommendations. The financial statements reported actual receipts and expenditures for the periods under audit. However, it is always a challenge to have the Entity (LACRA's) financial statements reconciled with the IFMIS ledgers and fiscal outturn report due to the lack of timely reconciliation, as obtaining financial information from the MFDP and the IFMIS system takes a long time and at times the IFMIS system malfunctions. Reversals of receipts previously recorded but not received by the Entity (LACRA), as well as expenditures, are not done, and remain in the IFMIS Ledgers as actual receipts and expenditures for the Entity (LACRA).*

- 1.3.4.10 *Going forward, Management will ensure that financial information from the MFDP and IFMIS ledgers on receipts and expenditures are received and timely reconciliation performed to address variances identified. All relevant records will be scanned and filed.*

Auditor General's Position

- 1.3.4.11 Management assertions did not adequately address the issues raised. Management did not account for the variances among the IFMIS Ledgers, the Fiscal Outturn Reports and the Financial Statements, comprehensively catalogued in Tables 2A and 2B above.
- 1.3.4.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.5 Variances amongst the Financial Statements, Supporting Receipts, and Expenditures Reports

Criteria

- 1.3.5.1 Regulations 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

- 1.3.5.2 During the audit, we observed that revenue (receipts) and expenditures recorded in the financial statements did not reconcile with supporting schedules and reports as required. **See Table 3 below for details:**

Table 3: Variances amongst the Financial Statement, Supporting Receipts and Expenditures Report

Description	Financial Statements (US\$) A	Supporting Expenditure/ Receipts Reports (US\$) B	Variance C=A-B
FY 2024			
Authorized Allocation/Appropriation	589,651.38	-	589,651.38
Other Receipts	911,630.00	912,230.00	(600.00)
Total Receipts	1,501,281.38	912,230.00	589,051.38
Payments			
Compensation	425,043.38	27,600.00	397,443.38
Goods and Services	432,820.94	319,484.94	113,336.00
Purchase of Property, plant and Equipment	266,381.00	111,421.00	154,960.00
Total Payments	1,124,245.32	458,505.94	665,739.38

Six Months Ended June 30, 2025			
Authorized Allocation/Appropriation	380,571.69	-	380,571.69
Other Receipts	1,228,050.00	1,228,050.00	-
Total Receipts	1,608,621.69	1,228,050.00	380,571.69
Payments			
Compensation	220,571.69	56,700.00	163,871.69
Goods and Services	502,452.54	339,562.63	162,889.91
Purchase of Property, plant and Equipment	600.00	78,000.00	(77,400.00)
Total Payments	723,624.23	474,262.63	249,361.60

Risk

- 1.3.5.3 The completeness and accuracy of revenues and expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.3.5.4 Management may not account for all of its transactions.

Recommendation

- 1.3.5.5 Management should account for the variances identified between the supporting schedules (Receipts and Expenditure Reports) and the financial statements comprehensively catalogued in Table 3 above, as part of Management's response to this Management Letter.
- 1.3.5.6 Management should adjust the financial statements by the variances observed between the supporting schedules (Receipts and Expenditure Reports) and the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.3.5.7 Going forward, 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 general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response (Interim Management)

- 1.3.5.8 *"Management acknowledges the finding. However, the interim management has instituted enhanced document verification and reconciliation procedures requiring periodic comparison of financial statements, expenditure reports, payment vouchers, and supporting records prior to reporting finalization. Additional supervisory review controls and records management measures are also being strengthened to reduce recurrence of documentation inconsistencies."*

Management's Response (Suspended Management)

- 1.3.5.9 *Management acknowledges the finding and recommendations. This was an oversight*

from the Finance Office not to fully disclose in the notes (narratives and schedules) receipts from all sources (GOL and internally generated funds) and actual expenditures for the periods under audit. The notes to the financial statements should be consistent with the information reported on the face of the financial statements.

- 1.3.5.10 *Management will adjust the notes to the financial statements for the periods under audit to ensure that the notes are consistent and support the information reported in the financial statements. This will take time, at least a month, as the Comptroller has been changed and the Entity (LACARA) experienced flood which affected its records.*

Auditor General's Position

- 1.3.5.11 Management assertions did not adequately address the issues raised. Management did not account for the variances identified between the supporting schedules (Receipts and Expenditure Reports) and the financial statements comprehensively catalogued in Table 3 above.
- 1.3.5.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit

1.3.6 No Book of Accounts (Ledgers & Trial Balance)

Criteria

- 1.3.6.1 Section 36(1) of the PFM Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

Observation

- 1.3.6.2 During the audit, we observed that Management did not maintain books of accounts and proper records such as cash book, detail ledgers, trial balance, etc. for budgetary allotment received from GOL, internal revenue generated, donors and expenditures incurred for the fiscal period under review.

Risk

- 1.3.6.3 Failure to maintain books of accounts and proper records for transactions conducted may impair accountability of resources and may lead to misappropriation of the entity's fund.
- 1.3.6.4 In the absence of book of accounts, the completeness and accuracy of the financial statements may not be assured. This may lead to misstatement of the financial statements.

Recommendation

- 1.3.6.5 Going forward, Management should ensure that detailed general ledgers and trial balance are prepared to support figures in the financial statements.
- 1.3.6.6 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.
- 1.3.6.7 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. Subsequently, an automated linkage should be created between the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response (Interim Management)

- 1.3.6.8 *"Management acknowledges the finding. However, the new management has since commenced strengthening accounting documentation procedures including maintenance of general ledgers, subsidiary ledgers, and periodic trial balances to support preparation and verification of financial reports. Additional supervisory review mechanisms are being implemented within the Finance Department to improve accounting accuracy and record retention."*

Management's Response (Suspended Management)

- 1.3.6.9 *Management acknowledges the finding and recommendations. This was an oversight from the Finance Office not to provide appropriate book of accounts (ledgers & trial balance) to the audit team during the audit execution. Even though we have not automated our financial processes with the operationalization of an accounting software, there is a manual system in place as we use Microsoft Excel.*
- 1.3.6.10 *Management will provide the book of accounts used in the preparation of the financial statements.*

Auditor General's Position

- 1.3.6.11 Management's assertions were not supported by documentary evidence. Management did not provide book of accounts, detailed general ledgers and trial balance that were utilized in the preparation of the financial statements as asserted by Management.
- 1.3.6.12 Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.7 Misclassification of Transactions in the Financial Statements

Criteria

- 1.3.7.1 Regulation D13(3) of the Public Financial Management Act of 2009 as amended and restated 2019 provides that accounting and reporting for the National Budget or the

appropriations for the central government as well as that of all government agencies shall be according to the budget classification and the Chart of Accounts.

Observation

- 1.3.7.2 During the audit, we observed that several payments related to personnel expenses (contractor wages) amounting to US\$ 27,600.00 for FY 2024 and US\$56,700.00 for the six months ended June 30, 2024 were misclassified as supplies and consumables in the Statement of Receipts and Payments of the Financial statements.

Risk

- 1.3.7.3 Misclassification of transactions may result into improper reconciliation of budget vs. actual analysis.
- 1.3.7.4 Misclassification of expenditures may facilitate fraudulent financial reporting especially if the preparer of the financial statement intends to conceal over/under utilization of expenditures.

Recommendation

- 1.3.7.5 Management should facilitate routine training of staff on data entries posting and classification of transactions.
- 1.3.7.6 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 amongst the general ledger, the trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.3.7.7 The Financial Comptroller should ensure that transactions related to expenditures are properly classified and consistent with the budget and the approved chart of accounts.
- 1.3.7.8 Going forward, Management should facilitate the creation of journal vouchers for all non-cash payment transactions posted. The journal voucher should comprehensively catalogue the details of the individual transactions from the bank statements. Management should facilitate segregation of duty over the preparation and approval of the journal vouchers, ensure that the journal vouchers are uniquely coded and appropriately reviewed and authorized. Evidence of authorized journal vouchers, and corresponding payment vouchers and bank statements should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.3.7.9 *Management acknowledges the finding. However, the management has initiated corrective measures including enhanced supervisory review of accounting entries, review of chart-of-account classifications, and strengthened verification procedures prior*

to financial statement preparation. Finance personnel are also being guided to apply standardized classification procedures consistent with applicable reporting frameworks.

Management Response (Suspended Management)

- 1.3.7.10 *Management acknowledges the finding and recommendations. This was an oversight from the Finance Office. Management will adjust the financial statements for the periods under audit to reclassify the expenditures appropriately. Going forward, Management will ensure that periodic trainings are done with Finance staff on data entries posting and classification of transactions. Management major goal is to procure and operationalize the accounting software for recording financial transactions and reporting.*

Auditor General's Position

- 1.3.7.11 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 Personnel Management

1.4.1 No Evidence of Approved Human Resource Policies and Procedures

Criteria

- 1.4.1.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

Observation

- 1.4.1.2 During the audit, we observed no evidence of approved human resource policies and procedures to guide its human resource activities.
- 1.4.1.3 Further, we observed no evidence that Management had adopted the Civil Service Standing Order or the Decent Work Act (where applicable) to guide its human resources activities.

Risk

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

Recommendation

- 1.4.1.5 Management should develop, approve and operationalize human resources policies and procedures for the effective and efficient operations of human resources activities of the entity.

- 1.4.1.6 Alternatively, Management should adopt and operationalize the Civil Service Standing Order or the Decent Work Act (where applicable) to guide the human resource activities of the entity.
- 1.4.1.7 Evidence of approved policies and procedures or adoption of the Civil Service Standing Order/ Decent Work Act of 2015 (Where applicable) should be adequately documented and filed to facilitate future review.
- 1.4.1.8 Going forward, Management should perform periodic review to ensure consistency in the application of approved human resources policies and practices at the entity.

Management's Response (Interim Management)

- 1.4.1.9 *"Management acknowledges the finding. However, the new management has commenced review and development of an HR Policy Manual intended to standardize recruitment, promotion, disciplinary procedures, leave administration, attendance management, and performance evaluation processes. Management has also developed a digital HR management system to improve and standardize HR system and is now in operation. Management continues to apply applicable Civil Service, labor, and internal administrative guidelines as interim control measures."*

Management's Response (Suspended Management)

- 1.4.1.10 *Management acknowledges and accepts the findings and recommendations. We will develop, finalize, and submit the human resource manual to the Board for review and approval within three months (May 2026 to July 2026).*

Auditor General's Position

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

1.4.2 No Automated Payroll Management System

Criteria

- 1.4.2.1 Section 36(1) of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

Observation

- 1.4.2.2 During the audit, we observed no evidence of an automated centralized payroll management system to facilitate the effective payroll management of the entity. The payroll was managed in MS excel.

Risk

- 1.4.2.3 Data integrity, security and completeness and accuracy of payroll records may be impaired.
- 1.4.2.4 In the absence of a centralized payroll management system, the computation of taxes, other deductions and net salaries may be impaired.
- 1.4.2.5 Management may not account for all its payroll transactions.

Recommendation

- 1.4.2.6 Management should procure and operationalize a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.
- 1.4.2.7 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 payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.4.2.8 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

Management's Response (Interim Management)

- 1.4.2.9 *"Management acknowledges the finding. However, the new management has commenced internal assessment of payroll automation requirements to strengthen payroll accuracy, staff records management, deduction processing, and audit trail reliability. Pending automation, supervisory review and payroll reconciliation procedures have been strengthened to mitigate risks associated with manual payroll administration."*

Management Response (Suspended Management)

- 1.4.2.10 *Management acknowledges and accepts the finding and recommendations. We will develop an automated payroll platform as part of the accounting software to record, reconcile and report on payroll transactions. This process of fully operationalizing the accounting software will take at least three months (June 2026 to August 2026).*

Auditor General's Position

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

1.4.3 Lack of Segregation of Duties in Payroll Management

Criteria

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

Observations

- 1.4.3.2 During the audit, we observed no evidence that monthly payroll originated from the Human Resource Unit and forwarded to the Finance Unit for processing.
- 1.4.3.3 Additionally, we observed no evidence that the payroll journals were subsequently submitted to heads of department/units to review and corroborate salaries to be disbursed to personnel of respective department/units.
- 1.4.3.4 Further, we observed no evidence that the Internal Audit Department performed post reconciliation among the net salary per the payroll journals, the debit instructions issued to the banks and the bank statements to corroborate that approved net salaries were reconciled to actual disbursements.

Risk

- 1.4.3.5 Lack of segregation of duties during the processing of the monthly payroll may impair checks and balances, thereby, leading to misappropriation of the entity’s fund.
- 1.4.3.6 Inadequate review of the payroll may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.
- 1.4.3.7 Approved adjustments to the payroll may not be implemented.
- 1.4.3.8 Unauthorized adjustments may be undetected leading to misappropriation of the entity’s fund.

Recommendation

- 1.4.3.9 Management should facilitate segregation of duties and check and balances in the preparation of monthly payroll. All adjustments to the payroll should be cataloged by the Human Resource Department and submitted to the Finance Department for processing. Subsequently, the Finance Department should submit the adjusted payroll per department to the head of each department/units and the Human Resource Department for validation before submission to MFDP for processing (where applicable).
- 1.4.3.10 The Internal Audit Department should facilitate post reconciliation among the net salary per the payroll journals, the debit instructions issued to the banks and the bank

statements to corroborate that approved net salaries were reconciled to actual disbursements on a monthly basis.

- 1.4.3.11 Evidence of approved monthly payroll journals, approved adjustments to the payroll, post disbursement reconciliation and all other relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.4.3.12 *"Management acknowledges the finding. However, the interim management has initiated measures to strengthen segregation of duties within payroll administration by separating responsibilities relating to payroll preparation, review, approval, and payment processing. Additional supervisory review and verification procedures are also being implemented to strengthen payroll accountability and reduce control risks."*

Management's Response (Suspended Management)

- 1.4.3.13 *Management acknowledges the findings and recommendations. Management has begun taking relevant steps to improve internal processes, including payroll management. The Human Resource Functions receives and reviews monthly payrolls, provides for relevant adjustments as applied, before sending to the Accounts/Finance Office for review and further processing. The Internal Audit Unit has been involved with the review of the monthly payrolls (employees and contractors) since January 2025.*
- 1.4.3.14 *The payroll management system is being improved upon and such issues raised will no longer exist going forward. The next audit that will be performed will show improvement made.*

Auditor General's Position

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

1.4.4 Non-Withholding and Remittance of Personal Income Tax (PIT) for Contractors

Criteria

- 1.4.4.1 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.
- 1.4.4.2 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

- 1.4.4.3 During the audit, we observed no evidence of Personal Income Tax (PIT) from Contractors being withheld and remitted into GoL Revenue Account for FY 2024.
- 1.4.4.4 Additionally, we observed that Management only withheld and remitted a total of US\$2,475 (US\$1,200 for April 2025 and US\$1,275 for May 2025) into GOL Revenue Account as PIT for the six months ended June 30th, 2025. **See Table 4 for details.**

Table 4: Non-Withholding and Remittance of Personal Income Tax

Description	Gross Wages (A)	Tax charge @10% (B)	Tax remitted (C)	Balance Outstanding D=B-C
Contractors' Wages FY 2024	27,600.00	2,760.00	-	2,760.00
Contractors' Wages June 2025	56,700.00	5,670.00	2,475.00	3,195.00
Total PIT Outstanding				\$ 5,955.00

Risk

- 1.4.4.5 Failure to withhold and remit PIT may deny GoL of the much-needed tax revenue.
- 1.4.4.6 Management may be noncompliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.4.4.7 Non-remittance of PIT may lead to an overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.4.4.8 Management should provide substantive justification for not withholding and remitting PIT comprehensively catalogued in Table 4 above, as part of Management’s response to this Management Letter.
- 1.4.4.9 Going forward, Management should withhold PIT 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.
- 1.4.4.10 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 (Interim Management)

- 1.4.4.11 *"Management acknowledges the finding. However, the interim management has commenced strengthening payment review procedures to ensure applicable withholding*

obligations are identified and processed prior to contractor payment approval. Management is also engaging relevant tax authorities where necessary regarding reconciliation and regularization of outstanding tax-related obligations.”

Management’s Response (Suspended Management)

- 1.4.4.12 *Management acknowledges the findings and recommendations. We accept that Personnel Income Tax (PIT) for contractors was withheld but not remitted in 2024. In 2025, PIT was withheld and remitted, but not in full. Management has taken appropriate steps to ensure that PIT are calculated based on the required percentage and remitted in full in the general revenue accounts.*

Auditor General’s Position

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

1.4.5 Non-remittance of NASSCORP’s Contributions

Criteria

- 1.4.5.1 Section 89.16(a) of the NASSCORP Act 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

- 1.4.5.2 During the audit, we observed no evidence of payment receipts for remittance of employees’ and employer contributions made to NASSCORP for the period under review.
See Table 5 for details.

Table 5: Non-remittance of NASSCORP’s Contributions

Description	Gross Wages (A)	Social Security charge @ 10% (B)	Social Security remitted (C)	Balance Outstanding US\$ D=B-C
Contractors' Wages FY 2024	27,600.00	2,760.00	-	2,760.00
Contractors' Wages June 2025	56,700.00	5,670.00	-	5,670.00
Total Social Security Contribution Outstanding				8,430.00

Risk

- 1.4.5.3 Management may be non-compliant with the NASSCORP Act of 2017 which may result to penalties and fines.

- 1.4.5.4 Potential retirees of GoL may be denied required pension benefits due to non-compliance with the Regulation.
- 1.4.5.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.
- 1.4.5.6 Non-remittance of social security contributions may lead to misapplication / misappropriation of social security funds.
- 1.4.5.7 Miscomputation of the social security benefit may lead to misstatement of social security contributions and subsequently the financial statements.

Recommendation

- 1.4.5.8 Management should facilitate comprehensive and accurate computation of social security benefits by ensuring social security computations are derived on the basis of total earnings, as required by the Regulations.
- 1.4.5.9 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).
- 1.4.5.10 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.4.5.11 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.
- 1.4.5.12 Going forward, monthly remittance of NASSCORP contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' NASSCORP accounts respectively.

Management's Response (Interim Management)

- 1.4.5.13 *"Management acknowledges the finding. However, the interim management has initiated corrective measures to strengthen deduction monitoring, remittance scheduling, and reconciliation processes to improve compliance with statutory social security obligations. Engagement with NASSCORP regarding reconciliation of outstanding balances is also being pursued where applicable."*

Management's Response (Suspended Management)

- 1.4.5.14 *Management acknowledges the finding and recommendations. Management has not been aware that social security contributions are to be withheld and remitted for contractors. These individuals are on short term contracts (3 to 6 months, and up to a year), renewable, and not full-time employees. Social security contributions are withheld and remitted for employees by the MFDP. For employer's contribution, it has not been budgeted for. This conversation will be held with the Board and MFDP for inclusion in the 2027 annual budget.*

Auditor General's Position

- 1.4.5.15 Management's assertions did not adequately address the issues raised. PART II: REGISTRATION Section 4. (1&2) Registration of Employers (1) of the NASSCORP Act published February 13, 2017 state: Each employer hiring one or more employees shall register with the Corporation not later than 15 days from the date the business becomes a legal entity. (2) The employer shall immediately become liable to pay contribution for his/her employees who are employed for remuneration under a contract of service or apprenticeship, whether the contract is expressed or implied or is oral or in writing and as further defined by the Act. Referenced to the provision above, Management is required to withhold and remit Social Security Contributions on behalf of contractors consistent with the law.
- 1.4.5.16 Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations in subsequent audit.

1.4.6 Non-adherence to Direct Deposit Payments for Contractors

Criteria

- 1.4.6.1 Regulation H. 8 (4) of the Public Financial Management Act of 2009 as amended and restated 2019, states that "The Minister shall ensure, to the extent possible, that all government payments are done through a direct deposit system, progressively graduating towards an electronic fund transfer system."

Observation

- 1.4.6.2 During the audit, we observed that contractors (fixed contract employees) received salaries disbursement through the issuance of checks or disbursement of cash, non-compliant to Regulation H. 8 (4) of the Public Financial Management Act of 2009 as amended and restated 2019.

Risk

- 1.4.6.3 Management may be non-compliant with Regulation H. 8 (4) of the Public Financial Management Act of 2009 as amended and restated 2019.
- 1.4.6.4 The absence of establishing employees' bank /mobile money accounts may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

- 1.4.6.5 Availability of evidence to corroborate disbursement of salaries to employees may be impaired.

Recommendation

- 1.4.6.6 Management should facilitate all disbursement of salaries to contractors (fixed contract employees) through the direct deposit system to bank or mobile money accounts. The accounts should be opened in the name of the employee to validate the legitimacy of the transactions.
- 1.4.6.7 Evidence of periodic (monthly) bank/mobile money transfers should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.4.6.8 *"Management acknowledges the finding. However, the interim management has strengthened payment procedures requiring greater utilization of traceable banking channels and direct deposit arrangements for contractor payments wherever practicable. Additional payment verification and approval controls are also being enforced to improve transparency and accountability."*

Management's Response (Suspended Management)

- 1.4.6.9 *Management acknowledges and accepts the finding and recommendations. This practice has been discontinued as contractors have been paid using mobile money and bank accounts.*

Auditor General's Position

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

1.4.7 No Approved Job Description

Criteria

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

Observation

- 1.4.7.2 During the audit, we observed that Management did not comprehensively catalog approved job descriptions for each personnel at all level of the organization.

Risk

- 1.4.7.3 In the absence of an approved job description for staff, work may be performed on a discretionary basis.
- 1.4.7.4 Clearly defined task for employees may not be established. This may impair the level of service and productivity of staff and the measure of monitoring and evaluating staff performance.

Recommendation

- 1.4.7.5 Management should comprehensively catalog approved job descriptions for each personnel at all levels of the organization. The approved job description should be included in all employees' employment letter and made available to employees before commencement of service. A formal communication detailing approved job descriptions should be forwarded to all existing staff. The approved job description should be periodically adjusted to reflect the current operations of the entity.
- 1.4.7.6 Management should ensure that employees are familiarized with and capacitated to perform approved job descriptions. Management should facilitate the performance of periodic training to upgrade the capacity of staff to perform approved roles and responsibilities.
- 1.4.7.7 Evidence of approved job description, subsequent adjustments and periodic training of staff should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.4.7.8 *"Management acknowledges the finding. However, the interim management has commenced review of staffing structures and preparation of formal job descriptions intended to clearly define roles, reporting lines, responsibilities, and performance expectations across departments."*

Management's Response (Suspended Management)

- 1.4.7.9 *Management acknowledges and accepts the finding and recommendations. Management has begun taking relevant steps to ensure that job descriptions/TORs for all job posts are completed, approved, shared with employees, and placed on personnel files. There will be ongoing in-service training by Human Resource and supervisors on the proper understanding of job descriptions/TORs.*

Auditor General's Position

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

1.4.8 Irregularities Associated with Attendance Logs

Criteria

- 1.4.8.1 Section 17.11 of the Decent Work Act of 2015 states, "(a) An employer shall keep an accurate record of work performed by each employee and the remuneration paid for such work. (b) An employer shall keep the records required under this section throughout the employment of any employee, and for a period of five years following the termination of the employee's employment.

Observation

- 1.4.8.2 During the audit, we observed the following irregularities associated with the daily attendance logs of the entity:
- The attendance logs appeared not to be monitored as information (sign-in / sign-out periods, signature) required by the existing form was observed to be consistently unavailable. We observed several instances where employee logged in at the start of day but did not log out at the end of the work day.
 - No evidence of periodic validation / spot check of the attendance logs to authenticate the validity of information recorded.

Risk

- 1.4.8.3 Failure to maintain and monitor comprehensive 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.
- 1.4.8.4 The absence of comprehensive and accurate attendance logs 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.
- 1.4.8.5 Attendance logs with inadequate columns may impair Management's ability to determine and keep appropriate records of employees' actual hours worked.

Recommendation

- 1.4.8.6 Management should ensure that all staff sign in 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.
- 1.4.8.7 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.
- 1.4.8.8 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.

- 1.4.8.9 Subsequently, Management should ensure that staff attendance processes are fully automated to facilitate effective monitoring, data integrity and accurate record keeping.
- 1.4.8.10 Staff attendance records should also be utilized during the monthly processing of payroll. Delinquent staff should be penalized consistent with the approved human resource policy.

Management's Response (Interim Management)

- 1.4.8.11 *"Management acknowledges the finding. However, the interim management has initiated strengthening of attendance management controls including improved supervisory verification, standardized attendance registers, and enhanced personnel record monitoring procedures. Additional measures are being reviewed toward modernization of attendance management systems."*

Management's Response (Suspended Management)

- 1.4.8.12 *Management acknowledges the findings and recommendations. Improvements have been made with the attendance process at the Authority (LACRA). Management is in the process of automating attendance with a biometric system which will be very effective in attendance monitoring. Periodic reports on attendance will be generated from the biometric system.*

Auditor General's Position

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

1.4.9 No Employees Performance Appraisal

Criteria

- 1.4.9.1 Chapter 8, Section 1, reports 8.1.1 of the Civil Service Standing Order of 2021 provides that "all classified Civil Servants shall have their work performance appraised at the end of the calendar year. Performance Appraisal Reports shall be completed by officers who are the immediate supervisors of those being appraised. Reports shall be made on the standard performance appraisal report form and a copy of which shall be forwarded to the Director General within 15 working days of the end of the calendar year".

Observation

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

Risk

- 1.4.9.3 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.

1.4.9.4 In the absence of a documented performance evaluation system, employee development plan may not be achieved thereby impairing the achievement of the entity's objectives.

1.4.9.5 Employees may be promoted or demoted on a discretionary basis.

Recommendation

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

1.4.9.7 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.

1.4.9.8 Management should solicit post feedback from employees about the fairness of the performance evaluation system and make adjustments where applicable.

1.4.9.9 Documentation for performance evaluation should be adequately filed to facilitate future review.

Management's Response (Interim Management)

1.4.9.10 *"Management acknowledges the finding. However, the interim management has commenced development of structured performance evaluation frameworks intended to strengthen staff accountability, productivity assessment, supervisory review, and institutional performance management processes."*

Management Response (Suspended Management)

1.4.9.11 *Management acknowledges and accepts the finding and recommendations. Management is developing a performance appraisal system to evaluate employees and contractors on an ongoing basis (quarterly and annually). This system will be useful in determining personnel that are performing and recognize them, as well as personnel that are not performing and be trained & reassigned. The target is to have annual performance evaluation for all personnel completed, submitted, and filed by the end of December 2026.*

Auditor General's Position

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

1.5 Cash Management

1.5.1 Irregularities Associated with Bank Reconciliation Reports

Criteria

- 1.5.1.1 Regulation R.3 (6) of the PFM Act of 2009 as amended and restated 2019 states that "the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or reference to the date and number thereof".

Observation

- 1.5.1.2 During the audit, we observed the following irregularities associated with monthly bank reconciliation reports for the period under audit:
- No evidence of monthly bank reconciliation statements for the IFAD Project Account and the Liberian Dollars Operations Account. **See Table 6A for details.**

Table 6A: Non-Preparation of Monthly Bank Reconciliation Statements

Bank (A)	Account Title (B)	Currency (C)	Account Number (D)	Ending Balance FY2024 US\$(E)	Ending Balance June 30, 2024 US\$ (F)
SIB	IFAD Project/USD	US\$	1111603812901	259.54	8,055.62
UBA	Operations/LRD	LR\$	53030060000010	(1,157.27)	129,551.81

- No evidence that the reconciliation reports were reviewed, and approved by the appropriate authorities. We observed no evidence of the names and dates of signing of the preparer, reviewer and, approver on the bank reconciliation reports as required.
- We observed variances amounting to US\$(24,633.00) and US\$(125,467.25) between the reconciled closing cash balances and the closing cash balances reported in the financial statements as at December 31, 2024 and June 30, 2025 respectively. **See Table 6B for details.**

Table 6B: Variance between Reconciled Cash Balance and Balance reported in Financial Statements

Year (A)	Account Title (B)	Account Number (C)	Reported Balance in Financial Statements (US\$) (D)	Reconciled Bank (US\$) (E)	Variance (US\$) F=D-E
Dec. 31, 2024	Operations/USD	1111203812901	394,245.41	418,878.41	(24,633.00)
June 30,	Operations/	1111203812901	1,115,831.87	1,241,299.12	(125,467.25)

Year (A)	Account Title (B)	Account Number (C)	Reported Balance in Financial Statements (US\$) (D)	Reconciled Bank (US\$) (E)	Variance (US\$) F=D-E
2025	USD				

- The reconciliation as at December 31, 2024 and June 30, 2025 for SIB USD Operations Account reported several cash collected but not deposited in the bank totaling US\$26,525.00 and US\$127,965.00 respectively that were observed to exceed six months. However, we observed no evidence that the cash collected but not deposited in the bank was part of cash in-hand (cash domiciled at the entity). **See Table 6C for details.**

Table 6C: Cash Collected but not Deposited

No	Cash Collection Period	Amount US\$
1	February, 2024	2,100.00
2	March, 2024	2,525.00
3	May, 2024	2,300.00
4	June, 2024	1,500.00
5	July, 2024	2,500.00
6	August, 2024	5,000.00
7	November, 2024	10,000.00
8	December, 2024	600.00
Total as December 31, 2024		26,525.00
1	February & March, 2024	4,625.00
2	May - August, 2024	11,300.00
3	November & December, 2024	10,300.00
4	January, 2025	31,040.00
5	February, 2025	30,000.00
6	March, 2025	2,500.00
7	April, 2025	33,200.00
8	June, 2025	5,000.00
Total as June 30, 2025		127,965.00

Risk

- 1.5.1.3 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud.
- 1.5.1.4 Management may not fully account for all of its transactions.
- 1.5.1.5 The completeness and accuracy of the closing cash balance may not be assured; therefore, the financial statements may be misstated. Management may not account for all of its cash transactions.
- 1.5.1.6 Long outstanding cash collected but not deposited in the bank and not traced to cash

in-hand may lead to misappropriation of public funds.

- 1.5.1.7 Fair presentation and full disclosure of the financial statements may be impaired.

Recommendation

- 1.5.1.8 Management should account for cash collected and not deposited in the entity's bank accounts which could not be traced to cash in-hand comprehensively catalogued in Table 6C above, as part of Management's Response to this Management Letter.
- 1.5.1.9 Management should adjust the cashbook and financial statements to reflect the reconciled closing cash balance comprehensively catalogued in Table 6B above. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.5.1.10 Going forward, Management should ensure that the closing cash balance is reflective of the reconciled cash balances to facilitate completeness, accuracy, fair presentation and full disclosure of the financial statements.
- 1.5.1.11 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated accounts established by the entity.
- 1.5.1.12 Bank Reconciliation reports should be prepared, reviewed and approved by personnel with the relevant qualifications, experience and seniority.
- 1.5.1.13 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. Subsequently, an automated linkage should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.5.1.14 Management should facilitate the deposit of cash collected into designated accounts within at most 48 hours after the collections. Management should ensure that the facility used for storage of cash collected is protected by a metallic door and that cash should be maintained in a metallic safe. Management should also ensure that the facility is restricted to authorized persons at all times. Management should facilitate segregation of duties over the storage, processing and accounting of cash transactions.
- 1.5.1.15 Evidence of monthly bank reconciliation, deposit slips, cash books and general ledgers reports should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.5.1.16 *"Management acknowledges the finding. However, the interim management has instituted strengthened monthly bank reconciliation procedures requiring timely*

preparation, supervisory review, and resolution of identified variances. Additional controls have also been introduced to improve reconciliation documentation, approval processes, and retention of supporting records for audit verification.”

Management’s Response (Suspended Management)

- 1.5.1.17 *Management acknowledges the findings and recommendations. The amounts of US\$26,525.00 and US\$127,965.00 were receipts from internally generated funds in 2024 and 2025 that were used in operations, recorded in the cash books & ledgers, and reported in the financial statements for the periods under review. We acknowledge the finding of not depositing receipts into designated bank accounts and this has been corrected.*
- 1.5.1.18 *The project bank account was inactive/ dormant in 2024 due to delay in signing project agreement and extending project activities for the IFAD project. The LRD operational bank account maintained at UBA was also dormant. Both accounts were reactivated in 2025.*
- 1.5.1.19 *Management has already put in place measures that ensure prompt deposits of all receipts into designated bank accounts. Daily recording of receipts and expenditures, and related financial transactions are done in the cashbooks and ledgers. Monthly bank reconciliation reports are prepared, signed, and filed for operational bank accounts.*

Auditor General’s Position

- 1.5.1.20 Management assertions did not adequately address the issues raised. Management did not account for cash collected and not deposited in the entity’s bank accounts which could not be traced to cash in-hand comprehensively catalogued in Table 6C above. Further, Management did not adjust the cashbook and financial statements to reflect the reconciled closing cash balance comprehensively catalogued in Table 6B above.
- 1.5.1.21 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.5.2 Irregularities Associated with Petty Cash

Criteria

- 1.5.2.1 Regulation S.2 (2) of the PFM Act of 2009 as amended and restated 2019 states: “Strong rooms, safes or strong boxes provided for the safe custody of public moneys and valuables in a government agency’s departments and offices in which such moneys or valuables are received and retained either temporarily or permanently, shall be fitted with two different locks, the keys or combinations of which shall be held by the head of government agency and the Controller”.
- 1.5.2.2 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

1.5.2.3 During the audit, we observed the following irregularities associated with petty cash of the entity:

- Petty cash and near cash items (such as cheques, fuel coupons and calling cards etc) were not kept in a metallic safe and the facility was not protected by a metallic door
- There was no restricted access to the facility in which the petty cash was kept.
- No evidence of approved petty cash policy

Risk

1.5.2.4 Petty cash may be susceptible to theft if maintained in an unsafe facility or exposed to unauthorized personnel.

1.5.2.5 In the absence of segregation of duties over managing and approval of petty cash transactions, petty cash may be subjected to misapplication and misappropriation.

1.5.2.6 Inconsistency in the nature of transactions may facilitate non-compliance with approved procurement laws and regulations and the approved petty cash policy.

1.5.2.7 Replenishing petty cash without evidence of expenditure/liquidation reports may lead to misappropriation of petty cash funds.

Recommendation

1.5.2.8 Management should ensure that the facility used for storage of petty cash is protected by a metallic door and that petty cash should be maintained in a metallic safe. Management should also ensure that the facility is restricted to authorized persons at all times.

1.5.2.9 Management should facilitate segregation of duties over the storage, processing and approval of petty cash transactions. Petty cash transactions should be managed by the Cashier, and approved by the Chief Accountant and/or Comptroller.

1.5.2.10 Management should facilitate the timely liquidation of petty cash transactions through preparation and approval of periodic expenditure reports before petty cash is replenished. Evidence of periodic expenditure/liquidation reports along with all supporting records should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.5.2.11 *"Management acknowledges the finding. However, the interim management has strengthened petty cash administration through enhanced approval controls, periodic reconciliation requirements, improved supporting documentation procedures, and supervisory review mechanisms. Management is also enforcing stricter adherence to petty cash thresholds and replenishment procedures to improve accountability and transparency."*

Management's Response (Suspended Management)

- 1.5.2.12 *Management acknowledges and accepts the findings and recommendations. We have put in place measures that ensure the security of petty cash. The petty cash policy is approved and operationalized. There is a petty cash custodian that manages the petty cash fund. The petty cash is maintained in a metallic safe with keys kept by the custodian and Comptroller. There is timely liquidation of petty cash with requests, supporting receipts/invoices, and replenishment reports prepared and submitted.*

Auditor General's Position

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

1.5.3 Non-Disclosure of Bank Accounts

Criteria

- 1.5.3.1 Regulation C.8 (1& 2) of the PFM Act of 2009 as amended and restated 2019 states: "(1) A head of a government agency or spending unit shall be personally and pecuniary responsible to Legislature for the use of funds under their control. (2) A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency".
- 1.5.3.2 Additionally, Regulation C.8 (4) of the PFM Act of 2009 as amended and restated 2019 states: "A head of agency or spending unit shall: (a) manage and reconcile the bank accounts authorized for the Agency by the Minister".

Observation

- 1.5.3.3 During the audit, we observed that Management did not disclose the following bank accounts as part of the closing cash balance reported in the financial statements for the periods under review. **See Table 7 below for details:**

Table 7: Non-Disclosure of Bank Accounts

Period (A)	Bank (B)	Currency (C)	Account Title (D)	Account Number (E)	Ending Balance US\$ (F)
FY 2024	SIB	US\$	IFAD Project/USD	1111603812901	259.54

Period (A)	Bank (B)	Currency (C)	Account Title (D)	Account Number (E)	Ending Balance US\$ (F)
	UBA	US\$	Operations/USD	53030060000029	22.84
	UBA	LR\$	Operations/LRD	53030060000010	(1,157.27)
June 2025	SIB	US\$	IFAD Project/USD	1111603812901	8,055.62

- 1.5.3.4 The above bank accounts were brought to our attention as a result of Bank Confirmation Statements received from the respective commercial banks.

Risk

- 1.5.3.5 The non-disclosure of bank accounts in the entity's financial statements may facilitate misappropriation and/or fraud.
- 1.5.3.6 Fair presentation, full disclosure, understandability and reconciliation of the cash balances may not be assured. This may lead to misstatement of cash balances.
- 1.5.3.7 Management may not fully account for activities of the entity.
- 1.5.3.8 Cash and bank balances reported in the financial statements may be misstated.

Recommendation

- 1.5.3.9 Management should adjust the financial statements to include the undisclosed bank account balance(s) comprehensively catalogued in Table 7 above, in the closing cash balance reported in the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.5.3.10 Going forward, Management should formally communicate with all banking institutions to disclose all the entity's bank accounts maintain by the banking institutions, the status of the bank accounts, signatories to the accounts and the bank statements for reasonable periods.
- 1.5.3.11 Subsequently, Management should review the bank statements for unusual transactions, investigate and resolve unusual transactions, authorize the immediate closure of all inactive bank/mobile money accounts and regularize the signatories to reflect the current senior management team.
- 1.5.3.12 Management should ensure that the closing cash balances reported in the financial statements are reflective of all bank accounts of the entity.

Management's Response (Interim Management)

- 1.5.3.13 *"Management acknowledges the finding. However, the interim management has commenced consolidation and verification of institutional banking records to strengthen completeness of financial disclosures and improve monitoring of authorized institutional accounts. Procedures are also being reinforced to ensure all bank accounts are properly documented, approved, monitored, and reflected in financial reporting processes."*

Management Response (Suspended Management)

- 1.5.3.14 *Management acknowledges and accepts the finding and recommendations. We have taken steps to correct this with financial report and statements reporting and disclosing reconciled cash balances and bank accounts maintained at banks beginning in the quarter September 2025.*
- 1.5.3.15 *Management is doing its best to make the required adjustments, and reconcile & adjust cashbooks, ledgers, and financial report & statements for 2024 and 2025 (up to June). However, this will take time due to flood incident which caused damages to documents, desktop computers, and office equipment.*

Auditor General's Position

- 1.5.3.16 Management assertions did not adequately address the issues raised. Management did not adjust the financial statements to include the undisclosed bank account balance(s) comprehensively catalogued in Table 7 above, in the closing cash balance reported in the financial statements.
- 1.5.3.17 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6 Procurement Management

1.6.1 Irregularities Associated with Procurement Management

Criteria

- 1.6.1.1 Section 26 (1&2), Procurement Committees, of the Public Procurement Act of 2010 states: (1) Every Procuring Entity must establish a Procurement Committee to which this Act applies. (2) A Procurement Committee shall consist of five (5) persons. The Head of the Procuring Entity or his or her deputy shall be chairperson of the Procurement Committee. The Head of the Procuring Entity shall appoint four other members of the Procurement Committee as follows:
- a. Two other senior officials of the Entity one of whom shall be the head of finance for the Entity,
 - b. Subject to clause (c) below, such other qualified officials or employees of the Procuring Entity as are designated by the Head of the Entity and necessary to cause the Procurement Committee to have five (5) members.
 - c. When procurement matters relating to a specific end-user department are under consideration, one of the additional members appointed pursuant to clause (b), above, must be a representative of that end-user department.
- 1.6.1.2 Section 28 (1, 2, &3), Meetings of Procurement Committees, of the Public Procurement Act of 2010 states: (1) A Procurement Committee shall meet as and when required to review a bid or perform related functions but shall in any event meet at least once every quarter. (2) A notice in respect of its quarterly meetings shall be given at least

seven (7) days prior to the scheduled date of the meeting. (3)The quorum of a meeting of a Procurement Committee shall be at least four (4), comprising the chairperson or the acting head of the Entity who shall act as chairperson and at least three (3) other persons. The affirmative vote of at least a majority of the members present is required for the Committee to act.

1.6.1.3 Section 40 (1&2), Procurement Planning, of the Public Procurement Act of 2010 states: (1) All Procuring Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act. (2)For each fiscal year the Procurement Unit shall prepare a draft annual procurement plan for goods, works and services for use by the Procuring Entity in the Procuring Entity's budgeting process. Upon budget approval, the Procurement Unit shall prepare an annual procurement plan for goods, works and services in accordance with the Procuring Entity's approved programs and budget and furnish it to the Procurement Committee. The plan shall include:

- a) A brief description of each planned procurement contract;
- b) The estimated cost of each planned procurement contract;
- c) The procurement method to be used; and
- d) Processing steps and time schedules.

1.6.1.4 Section 43 (1, 2 & 9), Records and Reports of Procurement, of the Public Procurement Act of 2010 states: (1) The Procuring Entity shall preserve all documentation relating to the procurement proceedings in accordance with applicable rules concerning archiving of Government documentation, but at a minimum it shall be kept for a period of six (6) years following the date of final completion of the procurement contract, or from the date of rejection of all bids or cancellation of the proceeding, as the case may be. (2) In addition to the documentation referred to in subsection (1) of this Section, the Procuring Entity shall prepare and maintain a summary report of the procurement proceedings, including to the extent applicable:

- a. A description of the object of the procurement;
- b. A list of the participating bidders and the qualification criteria applied
- c. Bid prices;
- d. The bid evaluation criteria;
- e. A summary of the evaluation of bids, if the bids were not evaluated solely on the basis of price;
- f. A summary of any review proceedings and decisions thereon;
- g. A summary of any requests for clarifications and responses thereto;
- h. A statement of grounds for any cancellation of procurement proceedings pursuant to Section 36;
- i. A statement of grounds for choice of a procurement method other than open competitive bidding or request for proposals for services;
- j. The successful bidder and whether any terms were changed between Publication of the bidding documents and contract award;
- k. Information concerning rejection of bids including identification of any bidder

- who was determined to be unqualified or whose bid was determined to be unresponsive to or not fully compliant with the relevant bidding documents; and
- I. Such other information as may be required by the regulations made under this Act.

- 1.6.1.5 (9) Procuring Entities shall forward to the Commission on a quarterly basis a report for monitoring and evaluation purposes of the contracts awarded during the preceding quarter. The content and format of the report shall be detailed in regulations adopted by the Commissioners.

Observation

- 1.6.1.6 During the audit, we observe the following irregularities associated with the procurement system:
 - No evidence of a board resolution/ management memorandum for the establishment of the procurement committee
 - No evidence of functional procurement committee evidenced by the absence of meeting minutes and periodic reports.
 - There was no evidence of annual procurement plan approved by PPCC for procurements financed by internally generated funds for FY 2024.
 - The FY2025 annual procurement plan for Internally Generated Funds was submitted to PPCC on June 6, 2025 two (2) months after the internal operational budget was approved and six months after the start of the fiscal year.
 - There was no evidence of periodic (quarterly and annual) procurement activities reports submitted to PPCC for the periods under review.

Risk

- 1.6.1.7 In the absence of a functional procurement committee, the entity's procurement processes may be discretionary.
- 1.6.1.8 The lack of an approved procurement plan may lead to discretionary expenditure, waste and impair value for money.
- 1.6.1.9 In the absence of quarterly and annual procurement activities reports, Management may be non-compliant with the PPC Act of 2005 as amended and restated 2010.
- 1.6.1.10 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.

Recommendation

- 1.6.1.11 Management should establish a functional procurement committee evidenced by the documentation of meeting minutes and periodic reports.
- 1.6.1.12 Management should facilitate the approval of annual procurement plan by the PPCC. All unplanned procurement activities should be subsequently submitted to the PPCC for approval before execution.

- 1.6.1.13 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated 2010.
- 1.6.1.14 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.
- 1.6.1.15 Evidence of approved annual procurement plan, quarterly and annual procurement activities reports, and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.
- 1.6.1.16 Going forward, Management should facilitate adequate planning of procurement activities to ensure that competitive procurement processes are utilized to optimize value for money and the achievement of project's deliverables. The procurement plan should be prepared and approved before the commencement of the fiscal year to provide adequate timing for the conduct of more competitive procurement processes.

Management's Response (Interim Management)

- 1.6.1.17 *"Management acknowledges the finding. However, the interim management has commenced strengthening procurement planning, approval, documentation, and review procedures to improve compliance with the PPCC Act and applicable procurement regulations. Measures being reinforced include improved records management, enhanced review of procurement documentation prior to approval, and increased coordination between Procurement, Finance, and Management oversight structures."*

Management Response (Suspended Management)

- 1.6.1.18 *Management acknowledges the findings and recommendations. Management wants to place on record the operational context within which the Procurement Unit functioned during the periods under audit. The Management Team then took office in mid 2024 and inherited a Procurement Unit that had no functional filing cabinet and no dedicated archive room. However, there was an institutional procurement committee structured. The procurement committee was restructured to include the new DG then ad head of the committee, and required membership, backed by documented meeting minutes/resolutions and attendance. However, quarterly activity reports were not submitted to the PPCC.*
- 1.6.1.19 *With respect to the Annual Procurement Plan, Management confirms that an approved FY 2024 Procurement Plan (GoL funding, covering Petroleum Products, Repairs and Maintenance of Office Buildings, and Vehicle Repairs and Maintenance Services) was prepared, approved, and submitted to the Public Procurement and Concessions Commission (PPCC), and is being re-submitted to the audit team as part of this response. The FY 2025 Internally Generated Funds (IGF) Procurement Plan was delayed because the FY 2025 internal budget was approved in April 2025; the plan was subsequently prepared and submitted to PPCC on June 6, 2025.*

- 1.6.1.20 *Management further wishes to bring to the attention of the GAC that a significant portion of the procurement committee minutes, attendance logs, and other documents could not be produced because they were physically destroyed during the floods that affected the LACRA Head Office at the Freeport of Monrovia in August 2024 and September 2025. Water remained on the ground floor for approximately two (2) days, directly destroying the Procurement Department's records (which at that time, were arranged on the floor because the department had no office cabinet), several desktop computers, laptops, printers, and the bulk of archived procurement files. The GAC field team was physically present at LACRA during the September 2025 flood and can attest to the flood. Management also refers the GAC to its report on the November 6, 2024 meeting held with the NPA, Maritime Authority, and the Ministry of Public Works (MPW) regarding the drainage and flood situation in the Freeport, which documents the long-standing flooding exposure of LACRA's Head Office and the collaborative remediation efforts initiated by Management.*
- 1.6.1.21 *Photographic evidence of the state of the Procurement Unit and of the documents being dried and reconstituted after the flood has been assembled and is available for the GAC's inspection. Video recordings of the same event are also available upon request.*
- 1.6.1.22 *Going forward, Management has taken the following corrective actions:*
- *Preparation and submission of the FY 2026 Annual Procurement Plan to PPCC before the start of the fiscal year.*
 - *Preparation and submission of quarterly activity reports to PPCC as required under Section 43(9) of the PPCA.*
 - *Procurement of a filing cabinet and relocation of the procurement archives to a safe place at Head Office to mitigate future flood exposure.*
 - *Implementation of an electronic document management system so that all procurement records are scanned and stored off-site.*
- 1.6.1.23 *Evidence of Procurement Committee agendas, meeting minutes, approved procurement plans, PPCC submission acknowledgement, and quarterly reports are documented and filed.*
- 1.6.1.24 *Management has since improved on its internal document management system for filing all procurement records.*

Auditor General's Position

- 1.6.1.25 Management assertions that essential procurement documentations were damaged due to flooding of LACRA's Head Office at the Freeport of Monrovia is acknowledged. Going forward, Management should facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

- 1.6.1.26 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6.2 Irregularities Associated with Goods Procured

Criteria

- 1.6.2.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".
- 1.6.2.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".

THRESHOLDS FOR PROCUREMENT CONTRACTS

	Thresholds for use of request for quotations (RFQ)	National open competitive bidding (NCB)	Thresholds for use of restricted bidding	International open competitive bidding	Contracts for publication of planned sole source procurement
Contracts for the procurement of goods	US\$10,000	US\$500,000	US\$50,000	The Thresholds above which international open competitive bidding shall be used are the ceiling Thresholds for	Publication prior to award is required under the first sentence of Section 56(2) for sole source
In the case of contracts for the procurement of services	US\$10,000	US\$200,000	US\$20,000		

Contracts for the procurement of works,	US\$30,000	US\$1,000,000	US\$100,000	national competitive bidding.	open	contracts where the estimated price exceeds US\$100,000.
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Observation

1.6.2.3 During the audit, we observed the following irregularities associated with goods and services procured:

- No evidence that the two (2) vehicles, totaling US\$83,000.00, procured were included in the approved procurement plan for FY 2024. **Please see Table 8A for details.**

Table 8A: Procurements outside Approved Procurement Plan

Vehicle name	Vendor name	Narrative	Date	Amount US\$
Toyota Hilux cabin 4X4	Africa Motors	For DDGOTs		39,500 USD
Land Cruiser SUV 4 doors	CFAO	To replace lost IFAD Vehicle		43,500 USD
Total				83,000.00

- Between January 1, to May 31, 2025, Management procured goods and services (from Internally Generated Revenue) amounting to US\$136,662.00 prior to the preparation and submission of the annual procurement plan to PPCC. **Please see Table 6A for details.**

Table 8B: Procurement outside the Procurement Plan

Vendor (s) Name	Description	Amount (US\$)
Liberia Agriculture And Environment Journalist Network, Harper D.S Group Of Companies, Surveillance (Intelligence)	Public Service Announcement and media Awareness	17,150.00
Office Ideas, OD Business Center, Victor Printing Service	Stationeries	4,638.00
Conex Liberia	Gasoline and Fuel	23,649.00
Favor Marketing Inc.	Communication (Scratch Cards)	11,080.00
Evergreen Auto Service	Generator Maintenance	775.00
Makassa D. Ononi Business Center	Office Equipment	1,370.00
United Motor Company	23-Seater Buses for Employees	78,000.00
Total		136,662.00

- Management granted contracts to vendors for goods and services without evidence of competitive Bidding processes in FY 2024 and for the period ended June 30, 2025. We observed no evidence of Bid documents from unsuccessful bidders, bid opening minutes, bid adverts and notice to unsuccessful bidders. **Please see Table 8C below for details.**

Table 8C: Non-competitive Procurements

Vendor Name	Description	Amount (US\$)
FY 2024		
Thunder Bird Corporation	Supply of 50KVA Generator to LACRA	20,000.00
Road Aliment & Bright Bridges Trust Inc.	Repair and Maintenance work for LACRA office buildings	150,000.00
Chinmarsk Enterprise	To supply petroleum product to LACRA	20,000.00
Obi Standard Auto Service	Maintenance work for LACRA's Generators	15,000.00
Obi Standard Auto Service	Maintenance work for LACRA vehicles	15,000.00
Total for FY 2024		220,000.00
Six Months Ended June 30, 2025		
CONEX LIBERIA	Supply of fuel for generator and Vehicle	25,526.00
Land Star Engineering & Transport Services	Supply and installation of 100 KVA transformer	10,000.00
United Motor Company	2 JMC Costar Bus (23-seater)	78,000.00
Total for June 30, 2025		113,526.00

1.6.2.4 Management made payment amounting to US\$150,000 to Road Aliment & Bright Bridges Trust, INC. on Dec 2, 2024 (V#1310100-F/Y-2024-12-V-000063) for renovation works on LACRA office buildings (Head Office at Freeport and Regional Office in Gbarnga, Bong County). We observed the following irregularities associated with the renovation works:

- The Contract was signed on November 1, 2024 while the Work Completion Certificate was signed by the Procurement Director was dated November 30, 2024. However, we could not validate the completion of the contract up to approved specification due to the absence of an approved BOQ for the contract.
- No evidence of MFDP's Physical Audit Unit Inspection Report validating the completion of tasks before the payment.
- We observed no evidence of renovations works done at the Regional Office in Gbarnga, Bong County during our physical verification visit in December 2025.

See Pictorial Exhibit 1 below.



- In addition, Management made several payments, from Internally Generated Revenue, amounting to US\$14,244.00 for similar repairs and maintenance works for the Head Office Building at the Freeport of Monrovia. **See Table 8D for details.**

Table 8D: Payments for Repairs and Maintenance for Head Office

Date (A)	Description (B)	Payee (C)	Voucher # (D)	Check# (E)	Amount (US\$) (F)
18-Sep-24	Repairs & Maintenance of Office building	Road Aliment & Bright Bridge	179	104770	660.00
30-Oct-24	Construction of Reservoir	SOPE Company	210	104799	5,124.00
22-Nov-24	Repairs & Maintenance of Office building	Success General Companies	244	104876	2,904.00
16-	Repairs & Maintenance of	Success General Group	276	104910	5,000.00

Date (A)	Description (B)	Payee (C)	Voucher # (D)	Check# (E)	Amount (US\$) (F)
Dec-24	Office building	of Com.			
17-Dec-24	Repairs & Maintenance of Office building	Success General Group of Com.	281	104911	556.00
Total					14,244.00

Risk

- 1.6.2.5 The non-application of the requisite procurement method may impair the achievement of value for money and facilitate fraudulent procurement activities.

Recommendation

- 1.6.2.6 Management should provide substantive justification why renovation works were not performed at the Gbarnga Regional Office. Management should also account for additional expenditures for the repairs and maintenance of the LACRA Head Office in Freeport comprehensively catalogued in Table 8D above.
- 1.6.2.7 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts. Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts. Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.
- 1.6.2.8 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.
- 1.6.2.9 Management should also facilitate adequate planning of procurement activities to ensure that competitive procurement processes are utilized to optimize value for money and the achievement of project's deliverables. The procurement plan should be prepared and approved before the commencement of the fiscal year to provide adequate timing for the conduct of more competitive procurement processes.

Management's Response (Interim Management)

- 1.6.2.10 *"Management acknowledges the finding. However, the interim management has strengthened procedures requiring verification of goods received against approved procurement specifications, supporting delivery documentation, and supplier records prior to payment processing. Additional supervisory review and coordination between Procurement, Stores, and Finance functions are also being reinforced to improve accountability and value-for-money assurance."*

Management's Response (Suspended Management)

- 1.6.2.11 *Management provides the following substantive response to each of the irregularities observed:*
- 1.6.2.12 *(a) Procurement of two (2) vehicles totaling US\$83,000 not in the FY 2024 Procurement Plan: The Land Cruiser SUV (US\$43,500) was procured from CFAO as an urgent replacement for the IFAD project vehicle that was lost during the period. Given that the vehicle was a project asset tied to an ongoing IFAD engagement, replacement could not wait for the next procurement planning cycle. The Toyota Hilux cabin 4x4 (US\$39,500) was procured to provide operational transport for the Deputy Director General for Operations and Technical Services (DDGOTS), whose role required frequent field travel to commodity inspection sites.*
- 1.6.2.13 *(b) Procurement of US\$136,662 from Internally Generated Revenue (Jan – May 2025) prior to submission of the FY 2025 IGF Procurement Plan: As explained under Finding 1.6.1 above, the FY 2025 Internal Operational Budget was approved by the Board of Directors in April 2025. Between January and May 2025, Management was operating on essential service continuity (fuel for generators and vehicles, stationery items, public service announcements, scratch cards, generator maintenance and employee transportation) without which the Entity (LACRA) could not function.*
- 1.6.2.14 *(c) Non-competitive procurements in FY 2024 (US\$220,000) and Jan – Jun 2025 (US\$113,526): Management wishes to clarify that competitive processes (including Restricted Bidding and National Competitive Bidding) were initiated for each of the contract packages listed in Table 8C. Bid-opening minutes, some bid adverts, and evaluation panel reports that were not tendered during the GAC field work were among the documents destroyed when water flooded the ground floor of the LACRA Head Office in August and September 2025. The bulk of the bid documents submitted to the GAC during the audit engagement were re-obtained from the PPCC and the MFDP archives; however, internal working files such as delivery notes, and credit invoices could not be recovered. As for notice to unsuccessful bidders, Section 38 of the PPCC ACT state (The Procuring Entity is required, upon request, to inform any unsuccessful bidder of the reasons why their bid was not successful.) During the period under review, there was no such request.*
- 1.6.2.15 *The GAC field team was physically present at LACRA at the time of the September 2025 flood and is a direct witness to the destruction. Photographic and video evidence is available for the GAC's independent review.*
- 1.6.2.16 *(d) US\$150,000 payment to Road Aliment & Bright Bridges Trust, Inc. for renovation works – No evidence of Gbarnga renovation: Management strongly wishes to clarify the facts surrounding this payment. According to the approved FY 2024 Procurement Plan (GoL), Contract Package No. 2 – IFB No. LACRA/NCB/001/2024 – "Repairs and Maintenance Office Buildings" was budgeted at a total estimated cost of US\$250,000.*

As catalogued in the Procurement Plan's Explanatory Notes (Item 6, IFB No. LACRA/NCB/004/2024), this package was intended to cover regular repair and maintenance services on LACRA office buildings, namely the Head Office in Monrovia, the Gbarnga estate and the Ganta estate.

- 1.6.2.17 *However, of the total US\$250,000 budgeted, only US\$150,000 was actually released by the Ministry of Finance and Development Planning (MFDP) to LACRA. In view of this shortfall, Management made the administrative decision to prioritize the renovation of the LACRA Head Office at the Freeport of Monrovia. This decision is directly reflected in the contractual instruments executed with Road Aliment & Bright Bridges Trust Inc: the Memorandum of Understanding dated 1 November 2024 (attached) expressly refers to "the repair and maintenance of LACRA office buildings" under a credit facility with a ceiling of US\$150,000, and does not state, contemplate, or commit the Gbarnga or Ganta estates. The Work Completion Certificate dated 30 November 2024 (Contract package number LACRA/SBA/NCB002/2024, attached) likewise certifies completion of the "repair and maintenance office building work for LACRA" performed at the Head Office only.*
- 1.6.2.18 *When the current Administration took over in 2024, only a few offices on the upper floor of the Head Office had been partially renovated; the entire ground floor was neither renovated nor in active use. The US\$150,000 paid to Road Aliment & Bright Bridges Trust Inc. was therefore applied exclusively to the rehabilitation of the LACRA Head Office, and the GAC's physical verification visit of the Gbarnga Regional Office in December 2025 correctly did not find renovation works because none were ever funded under the US\$150,000 released. The absence of works at Gbarnga is therefore a direct consequence of the funding shortfall, and not a failure of contract performance.*
- 1.6.2.19 *(e) Additional US\$14,244 paid from IGR for repairs at the Head Office (Table 8D) The payments catalogued in Table 8D are for discrete, unrelated works that fell outside the scope of the Road Aliment MOU: construction of a water reservoir (SOPE Company, US\$5,124), subsequent minor repairs and making good of additional office spaces re-opened for use during the renovation of the ground floor (Success General Companies). These works were supported by individual invoices and receipts at the time of payment; the original files were physically destroyed in the August/September 2025 floods. Management is finding it difficult to obtain duplicate copies from the vendors. Going forward, Management will ensure that all procurement is strictly executed against the PPCC-approved Annual Procurement Plan; that BOQs and work plans are prepared, approved, and filed before any disbursement; and that MFDP Physical Audit Unit Inspection Reports are obtained and filed for each milestone payment on works contracts.*
- 1.6.2.20 *Management has since improved on its internal document management system for filing all procurement records.*

Auditor General's Position

- 1.6.2.21 Management assertions did not adequately address the issues raised. Management did not account for additional expenditures for the repairs and maintenance of the LACRA Head Office at the Freeport comprehensively catalogued in Table 8D above. Further, Management's assertions of payment amounting to US\$150,000 to Road Aliment & Bright Bridges Trust, INC. on Dec 2, 2024 (V#1310100-F/Y-2024-12-V-000063) for renovation works on LACRA office buildings were not supported by documentary evidence.
- 1.6.2.22 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.7 Expenditure Management

1.7.1 Payments without Evidence of Adequate Supporting Documents

Criteria

- 1.7.1.1 Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states that "Payments except for statutory transfers and debt services shall be supported by invoices, bills and other documents in addition to the payment vouchers."

Observation

- 1.7.1.2 During the audit, we observed no evidence of adequate supporting documents such as; invoices, delivery notes, job completion certificate, valid business registration and tax clearance etc. for various expenditures amounting to US\$122,706.91 for FY 2024 and US\$220,800.63 for six months ended June 30, 2025. **See Annexure 2 for details.**

Risk

- 1.7.1.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.7.1.4 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.7.1.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.7.1.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

- 1.7.1.7 Management should fully account for expenditure made without adequate supporting

documents comprehensively catalogued in Tables 8A and 8B, as part of Management's response to this Management Letter.

- 1.7.1.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.7.1.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response (Interim Management)

- 1.7.1.10 *Management acknowledges the finding. However, the interim management has strengthened payment procedures to require, wherever practicable, direct payment to intended beneficiaries and service providers through traceable banking channels. Additional approval and verification controls have also been instituted to limit recurrence of indirect payment arrangements.*

Management's Response (Suspended Management)

- 1.7.1.11 *Management acknowledges the finding and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA).*

Auditor General's Position

- 1.7.1.12 Management assertions did not adequately address the issues raised. Management did not account for expenditure made without adequate supporting documents comprehensively catalogued in Tables 8A and 8B above.
- 1.7.1.13 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.7.2 Third-Party Payments made to Employees of the Entity

Criteria

- 1.7.2.1 Regulation B.28 of the PFM Act of 2009 as amended and restated 2019 states that "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment".

Observation

- 1.7.2.2 During the audit, we observed that Management made several payments to employees of the entity rather than making direct payments to service providers or their legally authorized representatives for the periods under review. **See Annexure 3 for details:**
- 1.7.2.3 In addition for FY 2024, we observed that employees signed for several third party entities checks rather than their legally authorized representatives. **See Table 9 below for details:**

Table 9: Third-Party Payments signed for by LACRA's Employees

Date (A)	Description (B)	Check delivered to (Employee Name) (C)	Check# (D)	Amount US\$ (E)
7/17/2024	Payment for repair of A/C section & procurement	Menson Brown	8525	265.00
6/10/2024	Payment for renovation	Menson Brown	8984	180.00
11/22/2024	Payment for publicity-season greetings	Gordon G Garway	104873	600.00
9/20/2024	Payment for public relation and publicity	Gordon G Garway	104773	1,500.00
8/2/2024	Payment for vehicle repair & maintenance for pick-up	Menson Brown	8564	3,046.00
5/29/2024	Payment for assorted materials for LACRA management	Menson Brown	8968	7,959.00
5/29/2024	Payment for assort for materials for HR	Menson Brown	8974	256.00
12/17/2024	Payment for office furniture and equipment for IAA	Menson Brown	104923	1,917.00
5/16/2024	Payment for assort for materials for HR	Menson Brown	8974	2,140.00
TOTAL				17,863.00

Risk

- 1.7.2.4 Paying cash to employee for subsequent disbursement to vendors may facilitate misappropriation of funds.
- 1.7.2.5 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

- 1.7.2.6 Third party checks received/signed for by employees may lead to non-receipt of checks by vendors and misappropriation of funds.

Recommendation

- 1.7.2.7 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.
- 1.7.2.8 All payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative.
- 1.7.2.9 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations. Further, all third-party checks should be received/signed for by the vendors or their legally authorized representative(s).

Management's Response (Interim Management)

- 1.7.2.10 *Management acknowledges the finding. However, the interim management has commenced strengthening expenditure review controls to ensure applicable withholding obligations are identified and processed prior to payment approval. Engagement with relevant tax authorities regarding reconciliation and regularization of outstanding obligations is also being pursued where applicable.*

Management's Response (Suspended Management)

- 1.7.2.11 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. Management has significantly reduced third-party payments and instituted mobile money platform to transfer payments to beneficiaries. Payments to vendors, suppliers, and service providers are done directly to them through checks and transfers.*

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.

1.7.3 Non-Withholding and Remittance of Service Tax

Criteria

- 1.7.3.1 Section 905 of the Revenue Code of Liberia Act of 2000 - Withholding of Tax on Payments to Residents states:
- (a) Payments. A person listed in this subsection who makes a payment of the kind specified in this section is required to withhold tax at the rate specified in this section. The payor is treated as a withholding agent for all purposes of this Code.

This subsection applies to the following types of persons:

- (1) a resident legal or natural person;
- (2) a nonresident with a branch in Liberia or doing business in Liberia;
- (3) a government agency; or
- (4) unless expressly exempted by international agreement or treaty, a nongovernmental organization operating in Liberia or a diplomatic mission to Liberia.

(f) Payments for Services Rendered.

- (a) If a payer makes a payment to a resident for services rendered, and the services are not the subject of a contract of employment, the payer is required to withhold tax at the rate of 10 percent of the amount of the payment.
- (b) This subsection applies only if—
 - (1) the payment is of a sort includible in gross income under Section 201 (including Board fees, management fees, commissions, and the like); and
 - (2) the payment is \$100,000 or more (or of any amount if the total amount of payments made to the payee is (or is expected to be) \$1,000,000 or more for the payer's tax year).
- (c) A payment for the acquisition of goods is not a payment for services rendered. If the payment is for a mixture of goods and services, withholding is required only on the portion of the payment that is allocable to the services.

(n) Payments by Government Agency.

A government agency that makes a payment to a resident in circumstances other than those described in subsections (a) through (i) is required to withhold a portion of the payment as specified in regulations, but not more than 4%.

1.7.3.2 Section 806 of the Revenue Code of Liberia Act of 2000 - Withholding of Tax on Payments to Nonresidents states:

- (a) Payments. A person listed in this subsection who makes a payment of the kind specified in this section is required to withhold tax at the rate specified in this section. The payor is treated as a withholding agent for all purposes of this Code.

This subsection applies to the following types of persons:

- (1) a resident legal or natural person;
- (2) a nonresident with a branch in Liberia or doing business in Liberia;
- (3) a government agency; or
- (4) unless expressly exempted by international agreement or treaty, a nongovernmental organization operating in Liberia or a diplomatic mission to Liberia.

(e) Payments for Services Rendered. A payor who makes a payment to a nonresident for Liberian-source services rendered is required to withhold tax at the rate of 15 percent of the amount of the payment if payment is of a sort that, if made to a resident, would be includible in gross income under Section 201 Page 75 of 100 (including Board fees, management fees, commissions, and the like).

(j) Payments by Government Agency.

A government agency that makes a payment to a nonresident in circumstances other than those described in subsections (a) through (g) is required to withhold a portion of the payment as specified in regulations, but not more than 4%.

1.7.3.3 Section 905 of the Revenue Code of Liberia Act of 2000

(J) Withholding Requirements, Remittance, And Statement. Within 10 days after the last day of a month, a payor described in (a) is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each resident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). and (M) Penalties. 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 the Section 52 penalty for late payment and failure to pay. For the purpose of applying the Section 52 penalty to a failure to withhold and remit tax, references in Section 52 to the "payment due date" are to be understood as referring to the remittance due date under this section. A person who fails to provide the tax authorities with a required statement under subsection (I) is subject to a fine of \$10,000 for each required statement not provided.

1.7.3.4 Section 806 of the Revenue Code of Liberia Act of 2000

(h) Withholding Requirements, Remittance, And Statement. Within 10 days after the last day of a month, a payor who has made a payment to a nonresident is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each nonresident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). If the withholding agent is a resident, the place for remittance is the withholding agent's filing location (as designated in Section 50). If the withholding agent is a nonresident, the place of remittance is the Ministry of Finance.

Observation

1.7.3.5 During the audit, we observed no evidence of services tax (2% or 4% for procurement of goods and services (where applicable), 10% and 15% for service and consultancy of

resident and non-resident respectively and 1% for petroleum products) being withheld and remitted into GoL Revenue Account for the purchase of goods and services.

Risk

- 1.7.3.6 Failure to withhold and remit service tax may deny GoL of the much-needed tax revenue.
- 1.7.3.7 Management may be noncompliant with Section 905 (a, f and n) and Section 806 (a, e and j) of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.7.3.8 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.7.3.9 Management should provide substantive justification for not withholding and remitting service tax.
- 1.7.3.10 Going forward, Management should withhold tax on all services procured and facilitate full remittance of service tax to the general revenue account in keeping with Section 905 (a, f and n) and Section 806 (a, e and j) of the Revenue Code of Liberia Act of 2000 as amended and restated 2011.
- 1.7.3.11 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 (Interim Management)

- 1.7.3.12 *Management acknowledges the finding. However, the interim management has commenced strengthening expenditure review controls to ensure applicable withholding obligations are identified and processed prior to payment approval. Engagement with relevant tax authorities regarding reconciliation and regularization of outstanding obligations is also being pursued where applicable.*

Management's Response (Suspended Management)

- 1.7.3.13 *Management acknowledges and accepts the finding and recommendations. Management has begun the withholding and remittance of goods & services taxes (GST) to the general revenue accounts. Original copies of flag receipts and supporting documents are adequately documented and filed.*

Auditor General's Position

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

1.7.4 No Delivery Notes and Job Completion Certificates

Criteria

- 1.7.4.1 Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

Observation

- 1.7.4.2 During the audit, we observed that Management authorized several payments for goods and services without evidence of delivery notes for goods delivered and job completion certificates for services completed to validate the authenticity of the transactions and receipt of goods and service delivered during the periods under review. **See Table 10 below for details:**

Table 10: No Delivery Notes and Job Completion Certificates

Date	Payee	Voucher#	Check#	Purpose	Amount US\$
FY 2024					
2-Apr-24	Elijah Fendeh	1	8925	Vehicle Repairs	4,344.00
25-Apr-24	Elijah J. K. Fendeh	15	8934	Vehicle Repairs	1,900.00
29-May-24	Oliver G. Wilson	52	8975	Vehicle Repairs	1,550.00
21-Jun-24	Oliver Wilson	71	8995	Vehicle Repairs	1,900.00
22-Jul-24	Oliver Wilson	105	8536	Vehicle Repairs	1,900.00
2-Aug-24	Brother Trust Garage	124	8564	Vehicle Repairs	3,046.00
27-Aug-24	Morris Flomo	146	8588	Vehicle Repairs	1,900.00
26-Sep-24	Elijah J. K Fandeh	185	104778	Vehicle Repairs	1,900.00
	Kamah C. Diggs	233	104798	Vehicle Repairs	3,620.00
18-Dec-24	OBI Standard Auto Service	287	104915	Vehicle Repairs	1,000.00
18-Dec-24	OBI Standard Auto Service	288	104919	Vehicle Repairs	600.00
30-Oct-24	SOPE Company	210	104799	Building Repairs and Maintenance	5,124.00
22-Nov-24	Success General Companies	244	104876	Building Repairs and Maintenance	2,904.00
16-Dec-24	Success General Group of Com.	276	104910	Building Repairs and Maintenance	5,000.00
Total for FY 2024					36,688.00

June 30, 2025					
17-Mar-25	Road Aliment & Bright Bridges Trust Inc	372	105022	Building Repairs and Maintenance	2,802.00
17-Mar-25	Road Aliment & Bright Bridges Trust Inc	373	105021	Building Repairs and Maintenance	4,788.00
21-May-25	OBI Standard Auto Service	460	105110	Vehicle Repairs and Maintenance	3,195.00
5-Jun-25	SOPE Company	475	105125	Construction of Water Tower	5,882.00
Total as June 30, 2025					16,667.00

Risk

- 1.7.4.3 In the absence of delivery notes, payments may be made for goods not received or the approved quantity and specifications of goods may not be received.
- 1.7.4.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of public funds.
- 1.7.4.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.7.4.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.
- 1.7.4.7 Management may be non-compliant with Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019.

Recommendation

- 1.7.4.8 Management should ensure that delivery notes are received for all goods procured to validate those goods paid for including the required specifications were delivered to the end user. (The delivery note should be uniquely coded to reflect the specific transactions).
- 1.7.4.9 Delivery orders should be signed by the vendors, the procurement officer, storeroom officer and an internal auditor/assurance officer.
- 1.7.4.10 Management should ensure that job completion certificates are submitted by vendors/consultants upon the completion of all services. Management should facilitate the timely review of all completed services against approved specifications/contracts and approve the job completion certificates accordingly.
- 1.7.4.11 Evidence of delivery notes for all goods received and job completion certificates for all services performed should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.7.4.12 *Management acknowledges the finding. However, the interim management has strengthened payment processing requirements to ensure delivery notes, job completion certifications, and verification records are obtained and reviewed prior to payment approval for goods and services rendered. Supervisory review procedures have also been reinforced to improve accountability and compliance.*

Management Response (Suspended Management)

- 1.7.4.13 *Management acknowledges the findings and recommendations. Goods and services procured during the periods under audit were received. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA).*

Auditor General's Position

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

1.7.5 Irregularities Associated with Vehicle Repair and Maintenance Expenditures

Criteria

- 1.7.5.1 Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".
- 1.7.5.2 The Committee of Sponsoring Organizations of the Tread way Commission (COSO) Internal Control Framework on control activities stipulates that all organizations should deploy control activities through policies that establish what is expected and procedures that put policies into action.

Observation

- 1.7.5.3 During the audit, we observed that for FY 2024, 4 operational vehicles were recorded in the fixed assets register. The following irregularities were associated with the repairs and maintenance expenditures for these vehicles: **See Table 11 below for details**
- Management made a total of US\$9,150.00 cash payments to the Senior Management Team for vehicle repairs and maintenance without an approved policy, budget, and board approval.
 - Similarly, Management made several payments, from internally generated revenue, amounting to US\$7,390.00 for vehicle repairs and maintenance. However, we observed no evidence of Service Completion Certificate for vehicle repairs and maintenance paid for.

- In addition, Management paid through GOL US\$14,999.77 for vehicles repairs and maintenance. The contract was approved November 1, 2024 and the payment was made on December 9, 2024. However, we also observed no evidence of invoice, delivery notes, approved service completion certificate, valid business registration certificate and tax clearance.

Table 11: Irregularities Associated with Vehicle Repair and Maintenance Expenditures

Date	Description	Payee	Voucher#	Check #	Amount (US\$)
29-May-24	Vehicle Repairs and Maintenance	Oliver G. Wilson	052	8975	1,550.00
22-Jul-24	Vehicle Repairs and Maintenance	Oliver Wilson	105	8536	1,900.00
26-Sep-24	Vehicle Repairs and Maintenance	Elijah J. K Fandeh	185	104778	1,900.00
21-Jun-24	Vehicle Repairs and Maintenance	Oliver Wilson	071	8995	1,900.00
27-Aug-24	Vehicle Repairs and Maintenance	Morris Flomo	146	8588	1,900.00
Total Cash Payments Senior Management Team for Vehicle Maintenance					9,150.00
3-Jun-24	Vehicle Repairs and Maintenance	Myers Gibson	056	8978	350.00
1-Jul-24	Vehicle Repairs and Maintenance	Motaco Spare Parts Shop	084	8512	165.00
2-Aug-24	Vehicle Repairs and Maintenance	Brother Trust Garage	124	8564	3,046.00
15-Aug-24	Vehicle Repairs and Maintenance	Bashir Business Center	134	8575	350.00
6-Sep-24	Vehicle Repairs and Maintenance	Archie Harmon	159	104751	185.00
20-Nov-24	Vehicle Repairs and Maintenance	Thunderbird Corporation	238	104864	524.00
4-Dec-24	Vehicle Repairs and Maintenance	General Spare Parts Corp	260	104892	550.00
4-Dec-24	Vehicle Repairs and Maintenance	Morris Flomo	262	104890	500.00
13-Dec-24	Vehicle Repairs and Maintenance	Evergreen Auto Service	271	104902	120.00
18-Dec-24	Vehicle Repairs and Maintenance	OBI Standard Auto Service	287	104915	1,000.00
18-Dec-24	Vehicle Repairs and Maintenance	OBI Standard Auto Service	288	104919	600.00
Total Payments to Third Parties for Vehicle Maintenance financed by Internal Revenue					7,390.00
23-Dec-24	repairs maintenance vehicle December 2024 LACRA		1434981	2024-42737	9,000.00

Date	Description	Payee	Voucher#	Check #	Amount (US\$)
23-Dec-24	Repairs maintenance vehicle Dec 2024 LACRA		1434983	2024-42738	5,999.77
Total GOL Payments for Vehicle Repairs and Maintenance					14,999.77
Total					31,539.77

Risk

- 1.7.5.4 In the absence of an approved budget and policy for repairs and maintenance of vehicles, related expenditures may be made on a discretionary basis. This may lead to misappropriation of public funds.
- 1.7.5.5 In the absence of delivery notes, payments may be made for goods not received or the approved quantity and specifications of goods may not be received.
- 1.7.5.6 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of public funds.
- 1.7.5.7 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.7.5.8 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.
- 1.7.5.9 Management may be non-compliant with Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019

Recommendation

- 1.7.5.10 Management should fully account for repairs and maintenance expenditures made without evidence of approved policy, budget and adequate supporting documents including job Completion Certificates comprehensively catalogued in Table 11 above, as part of Management's response to this Management Letter.
- 1.7.5.11 Going forward, Management should ensure that all expenditures including repairs and maintenance are appropriately budgeted for in the entity's approved internal budget before disbursements are initiated.
- 1.7.5.12 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

- 1.7.5.13 All payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative.
- 1.7.5.14 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations. Further, all third-party checks should be received/signed for by the vendors or their legally authorized representative(s).
- 1.7.5.15 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response (Interim Management)

- 1.7.5.16 *Management acknowledges the finding. However, the interim management has strengthened controls requiring documented repair assessments, supervisory approvals, maintenance verification records, and supporting invoices prior to payment processing. Fleet monitoring and expenditure review procedures are also being reinforced to improve accountability and cost monitoring.*

Management Response (Suspended Management)

- 1.7.5.17 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA).*

Auditor General's Position

- 1.7.5.18 Management assertions did not adequately address the issues raised. Management did not account for repairs and maintenance expenditures made without evidence of approved policy, budget and adequate supporting documents including job completion certificates comprehensively catalogued in Table 11 above.
- 1.7.5.19 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.7.6 Irregularities Associated with Travel Expenditures

Criteria

- 1.7.6.1 Section 29 of the GoL Revised Travel Ordinance 2016/2017 states that "Upon return

from abroad, officials are required to submit to the Financial Regulations Unit of the Ministry of Finance and Development Planning, a Travel Settlement Form as per Annexure II and copy of certificates for workshops, seminars, etc., used ticket stubs, copy of passport within 14 days from the date of return from tour or before date of next journey, whichever is earlier. In very exceptional cases where the second granted with the specific written approval of the official concerned, explaining the reasons thereof”.

Observation

1.7.6.2 During the audit, we observed the following irregularities associated with travel expenditures for the periods under review: **See Table 12 for details.**

- Incidental allowances were not duly retired/accounted for.
- No evidence of travel activities reports for some travel expenditures.

Table 12: Irregularities Associated with Travel Expenditures

Payee	Description	Document missing	Amount US\$
Oliver G. Wilson	Payment request for five (5) days' workshops in Lofa, Bong, Nimba Grand Gedeh	Workshop attendance, Training Manual, Travel retirement report	30,000.00
Ama Yar Gwaikolo	Payment request for four (4) days Lofa County	-No report for workshop and attendance	1,600.00
Henry D. Draper	Payment representing foreign travel for the DG to Accra Ghana	No Boarding Pass, Accommodation Receipts, Travel Retirement report	2,196.00
Sylvester Gbonyea	Payment request for foreign travel Ethiopia	No Boarding Pass, Accommodation Receipts, Travel Retirement report	1,880.00
Sylvester Gbongea	Payment request for outstation local travel to Bong County for three (3) days.	No back to office report	600.00
Moses H. D. Varney	Payment representing outstation travel to Lofa for illegal cross border trade	No Document attached	2,337.15
Jos Travels & Tours	Payment for Air Ticket for DG Travel	No Boarding Pass, Accommodation Receipts, Travel Retirement report	783.00
Total for FY 2024			39,396.15
Ama Y Gwaikolo	Payment raised for foreign travel to Tanzania for (10) days for DG and PMU Director	No DSA/ Accommodation expenditure report	4,760.00
Ama Y Gwaikolo	Payment for additional days for out station travel to Gbarnga, Bong county and construction of pillar	No DSA/Accommodation expenditure report. No job completion report for pillar construction	3,746.00
Oliver G. Wilson	Payment for workshop training in Four(4) counties Lofa, Nimba, Bong& Grand Gedeh on Cocoa quality control	No DSA expenditure report. No report of training conducted. No signature log of payment received.	35,000.00

Payee	Description	Document missing	Amount US\$
Amie Y Gwaikolo	Payment for outstation travel to Bong and Lofa	No payment request, no approval, No DSA expenditure report	950
Tina Welleh Lorenzo	Payment for outstation travel to Nimba Bong and Grand Gedeh	No DSA expenditure report	2,358.00
Oliver G wilson	Payment Raised for foreign travel to Dubai for DG	No accommodation receipt and Travel retirement report	2,776.00
Ama Y Gwaikolo	Payment for six days travel out station to Grand Gedeh Rivergee, Maryland	Unsigned request, No DSA expenditure report	5,336.50
Ama Y Gwaikolo	Payment request for out station travel to Gbanga Bong county for three days and management contribution to William V.S Tubman high school	No DSA and Accommodation expenditure report. No report or evidence that management made the 1,000 USD contribution to William V.S Tubman high school	3,400.00
Ama Y Gwaikolo	Payment for four days stakeholder engagement organize by Bureau state enterprise in Ganta Nimba county	No invitation from Bureau of state enterprise, No DSA and Accommodation expenditure report. No report of stake holder engagement	2,279.00
Oliver G Wilson	Payment representing outstation Travel	No request. No report attached	2,000.00
Ama Y Gwaikolo	Payment for two days travel to Gbarnga Bong county for estate survey	No DSA and Accommodation Report, No Travel Report	2,993.00
Total as at June 30, 2025			65,598.50

Risk

- 1.7.6.3 Non-compliance with the national travel ordinance or the entity's approved travel ordinance where applicable may lead to misappropriation of public funds. Travel expenditures may be disbursed above the approved rates.
- 1.7.6.4 Travel expenditures not appropriately retired/accounted for may lead to misappropriation of the entity's funds.
- 1.7.6.5 In the absence of travel activities reports, travel expenditure may be utilized for unapproved activities.

Recommendation

- 1.7.6.6 Management should ensure that all incidental allowances should be duly retired/accounted for through the filling and subsequent approval of the travel settlement form. The form should be accompanied by original copies of receipts and travel activities reports to justify the regularity of the transactions.
- 1.7.6.7 Evidence of all travel expenditures records including travel settlement forms, original copies of receipts and travel activities reports should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.7.6.8 *Management acknowledges the finding. However, the interim management has strengthened travel expenditure controls requiring approved travel authorizations, supporting documentation, retirement procedures, and supervisory review prior to reimbursement or settlement of travel-related expenditures.*

Management's Response (Suspended Management)

- 1.7.6.9 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA). Approved travel advance forms, travel settlement forms, activity reports, and supporting documents from local and foreign travels will be properly scanned and filed for future review.*

Auditor General's Position

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

1.7.7 Irregularities Associated with Fuel Expenditures

Criteria

- 1.7.7.1 Regulations 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

- 1.7.7.2 During the audit, we observed the following irregularities associated with fuel expenditures:
- No evidence of policy to regulate the procurement, storage and distribution of fuel.
 - No evidence of generators and vehicles fuel consumption logs for the period under review. **See Table 12 below for details.**

Table 12: Irregularities Associated with Fuel Expenditures

Date	Description	Payee	Voucher #	Check #	Amount (US\$)
FY 2024					
2-Apr-24	Payment for Fuel	Elijah Fendeh	1	8925	4,100.00
16-May-24	Payment for Fuel	Conex Energy Liberia	34	8957	4,100.00
29-May-24	Payment for Fuel	Conex Energy Liberia	51	8973	4,100.00
21-Jun-24	Payment for Fuel	Conex Energy Liberia	73	8996	4,100.00
1-Aug-24	Payment for Fuel	Conex Energy Liberia	122	8562	5,400.00
7-Aug-24	Payment for Fuel	Joseph Mulbah Kerlie	128	8569	103.00
27-Aug-24	Payment for Fuel	Conex Energy Liberia	147	8590	4,400.00
2-Oct-24	Payment for Fuel	Conex Energy Liberia	189	104885	5,740.00
1-Nov-24	Payment for Fuel	Conex Energy Liberia	215	104843	5,740.00
3-Dec-24	Payment for Fuel	Conex Energy Liberia	251	104880	5,740.00
Total for FY 2024					43,523.00
Six Months ended June 30, 2025					
7-Jan-25	Payment for Fuel Generator & Vehicle	Conex Energy Liberia	299	104935	5,740.00
29-Jan-25	Payment for Fuel Generator & Vehicle	Conex Energy Liberia	324	104967	5,740.00
4-Mar-25	Payment for Fuel Generator & Vehicle	Conex Energy Liberia	360	105011	5,597.00
9-Apr-25	Payment for Fuel	Conex Energy Liberia	40	105056	5,890.70
13-Jun-25	Payment for Fuel	Conex Energy Liberia	493	105148	2,558.30
Total as June 30, 2025					25,526.00

Risk

- 1.7.7.3 Fuel procured may not be based on actual consumption.
- 1.7.7.4 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.
- 1.7.7.5 Fuel may be distributed on a discretionary basis, in the absence of a policy.

Recommendation

- 1.7.7.6 Management should develop, approve and operationalize a policy on fuel procurement, distribution, consumption and ensure that proper records are maintained.

- 1.7.7.7 Management should maintain a fuel consumption and distribution log to aid the entity manage cost and inform future purchase.
- 1.7.7.8 Evidence of approved fuel policy and all other fuel procurement, distribution, and consumption records should be adequately documented and filed to facilitate future review.
- 1.7.7.9 Going forward, Management should conduct periodic reconciliation between the fuel procured and the distribution logs. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and file to facilitate future review.

Management's Response (Interim Management)

- 1.7.7.10 *Management acknowledges the finding. However, the interim management has strengthened fuel management controls through improved fuel distribution logs, authorization procedures, vehicle utilization monitoring, and supervisory reconciliation processes intended to improve accountability and expenditure monitoring.*

Management's Response (Suspended Management)

- 1.7.7.11 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA). The fuel policy will be included in the financial manual of the Authority (LACRA). Fuel consumption logs, utilization reports, and supporting documents are being scanned and filed for future review.*

Auditor General's Position

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

1.7.8 Irregularities Associated with Scratch Cards Distribution

Criteria

- 1.7.8.1 The Committee of Sponsoring Organizations of the Tread way Commission (COSO) Internal Control Framework on control activities stipulates that all organizations should deploy control activities through policies that establish what is expected and procedures that put policies into action.

- 1.7.8.2 Additionally, Regulations P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

Observation

- 1.7.8.3 During the audit, we observed that Management procured and disbursed a total of US\$ 14,010.00 value of scratch cards for the entity's operations without evidence of an approved policy. **See Table 13 for details.**

Table 13: Irregularities Associated with Scratch Cards Distribution

Date	Description	Payee	Voucher #	Check #	Amount (US\$)
FY 2024					
29-May-24	Payment for Scratch Cards	Menson Brown	053	8972	1,550.00
1-Jul-24	Payment for Scratch Cards	Oliver Wilson	085	8515	1,490.00
1-Aug-24	Payment for Scratch Cards	United Office Supplies	123	8563	1,570.00
5-Sep-24	Payment for Scratch Cards	Orange Liberia Inc.	155	8599	1,000.00
11-Sep-24	Payment for Scratch Cards	George K. Cooper	167	104763	570.00
30-Sep-24	Payment for Scratch Cards	Favor Marketing Inc.	188	104784	1,605.00
11-Nov-24	Payment for Scratch Cards	Favor Marketing Inc.	229	104855	2,055.00
4-Dec-24	Payment for Scratch Cards	Favor Marketing	258	104887	2,070.00
17-Dec-24	Payment for Scratch Cards	Favor Marketing	280	104913	2,100.00
Total					14,010.00
Six Months ended June 30, 2025					
28-Jan-25	Payment for Scratch Cards	Favor Marketing INC	319	104963	2,120.00
10-Mar-25	Payment for Scratch Cards	Favor Marketing Inc.	362	105010	2,160.00
28-Mar-25	Payment for Scratch Cards	Favor Marketing Inc.	389	105041	2,340.00
5-May-25	Payment for Scratch Cards	Favor Marketing Inc.	442	105090	2,235.00
5-Jun-25	Payment for Scratch Cards	Favor Marketing Inc.	469	105124	2,225.00
Total as at June 30, 2025					11,080.00

Risk

- 1.7.8.4 Scratch cards may be distributed on a discretionary basis, in the absence of a policy.
- 1.7.8.5 Management may spend above budgeted allocation and scratch cards may be subjected to misappropriation or theft.

Recommendation

- 1.7.8.6 Management should develop, approve and operationalize a policy on scratch cards distribution, consumption, purchase and ensure that proper records are maintained.
- 1.7.8.7 Management should maintain scratch cards consumption and distribution logs to aid the entity manage cost and inform future purchase.

- 1.7.8.8 Evidence of approved scratch cards policy and all other scratch cards procurement, consumption and distribution records should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.7.8.9 *Management acknowledges the finding. However, the interim management has strengthened issuance controls requiring documented distribution records, authorization procedures, beneficiary accountability measures, and periodic reconciliation of scratch card utilization.*

Management Response (Suspended Management)

- 1.7.8.10 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA). The policy on scratch cards will be included in the financial manual of the Authority (LACRA). Scratch cards consumption logs, utilization reports, and supporting documents are being scanned and filed for future review.*

Auditor General's Position

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

1.7.9 Variance between Checks and Payment Requisitions

Criteria

- 1.7.9.1 Regulation P. 13(2) of the PFM Act of 2009 as amended and restated in 2019 states "the original payment voucher or certificates shall be signed and the officer shall ensure that legible copies of the signature are on each of the vouchers."
- 1.7.9.2 The Committee of Sponsoring Organizations of the Tread way Commission (COSO) Internal Control Framework on control activities stipulates that all organizations should deploy control activities through policies that establish what is expected and procedures that put policies into action.

Observation

- 1.7.9.3 During the audit, we observed inconsistencies between checks paid for goods and services and amount requested on payment requisitions. **See Table 14 below for details.**

Table 14: Variance between Checks and Payment Requisitions

Date (A)	Description (B)	Payee (C)	Voucher # (D)	Payment Request Amount (US\$) (E)	Check Amount (US\$) (F)	Variance G=E-F
20-Nov-24	Payment for IAA renovation for acct.	Success General Companies	244	1,178.58	2,904.00	(1,725.42)
16-May-24	Payment for office furniture for LACRA management.	United office Supplies	36	1,655.00	2,140.00	(485.00)
2-Aug-24	three (3) days outstation travel to Bong County	Joe Sackie	125	1,000.00	2,000.00	(1,000.00)
Total amount				3,833.58	7,044.00	(3,210.42)

Risk

- 1.7.9.4 Inconsistencies between amounts on payment requisitions and checks may lead to misappropriation of public funds.
- 1.7.9.5 Payments above approved purchase requisitions may facilitate fraudulent financial management practices and misappropriation of public funds.

Recommendation

- 1.7.9.6 Management should account for the variance between approved payment requisitions and checks comprehensively catalogued in Table 14 above, as part of Management's Response to this Management Letter.
- 1.7.9.7 Going forward, Management should ensure that amounts on checks are consistent with approved payment requisitions/orders. All payment requisitions should be reviewed and approved by personnel with the relevant qualifications, experience and seniority before processing of checks are initiated.
- 1.7.9.8 Management should facilitate the review of all payments by Internal Audit to validate accuracy, completeness and legitimacy of the transactions.
- 1.7.9.9 Evidence of approved payment vouchers, checks and supporting records should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.7.9.10 *Management acknowledges the finding. However, the interim management has strengthened payment review and reconciliation procedures requiring comparison of payment requisitions, supporting documentation, and issued payment instruments prior to final processing and approval. Additional supervisory controls have also been instituted to improve expenditure accuracy and accountability.*

Management Response (Suspended Management)

- 1.7.9.11 *Management acknowledges the finding and recommendations. This was an oversight as all goods and services paid for are approved. Payment requests and requisitions are consistent with the payment vouchers raised. Management take note and has made the relevant corrections to ensure that amounts on requisitions and payments requests are consistent with payment vouchers and checks.*

Auditor General's Position

- 1.7.9.12 Management assertions did not adequately address the issues raised. Management did not account for the variance between approved payment requisitions and checks comprehensively catalogued in Table 14 above.
- 1.7.9.13 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.8 Fixed Assets Management

1.8.1 Irregularities Associated with Fixed Assets Management

Criteria

- 1.8.1.1 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

- 1.8.1.2 During the audit, we observed the following irregularities associated with the entity's Fixed Assets Management System:
- There was no evidence of a fixed assets management policy.
 - The fixed assets register did not contain all the relevant columns
 - The fixed assets register was not regularly updated
 - Most fixed assets of the entity were not coded.
 - There was no evidence of periodic physical verification of assets by Management
 - There was no evidence of movement of assets form.
 - There was no history of disposal of assets
 - Fixed assets within a given vicinity were not displayed as required by the PFM Act.

Risk

- 1.8.1.3 Fixed Assets may be misstated (Over/understated).
- 1.8.1.4 Fixed Assets may be damaged or impaired but their values are still on the books.

- 1.8.1.5 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.8.1.6 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.
- 1.8.1.7 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.
- 1.8.1.8 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

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

Management's Response (Interim Management)

- 1.8.1.16 *Management acknowledges the finding. However, the interim management has commenced strengthening fixed asset management controls through development and updating of asset registers, improved asset identification and custodianship procedures, periodic physical verification exercises, and enhanced coordination between*

Procurement, Finance, and Administrative functions. Management is also reinforcing documentation requirements relating to asset acquisition, assignment, transfer, and disposal processes to strengthen accountability and reporting accuracy.

Management Response (Suspended Management)

- 1.8.1.17 *Management acknowledges the findings and recommendations. Management has already put in place measures that ensure a proper fixed assets management system is maintained and fully operational. The fixed assets policy is approved and operationalized. There is a fixed assets database maintained in Microsoft Excel. The fixed assets register is prepared and includes appropriate columns and information on assets as required. The register will be updated upon completion of the physical count of assets which will account for existing assets and their conditions. A report from the physical verification will be prepared, submitted, and filed, along with supporting records. The fixed assets listing is being finalized for posting at each work area upon the completion of physical count of assets. The movement of assets form will be introduced when the physical count of assets exercise is completed.*

Auditor General's Position

- 1.8.1.18 Management assertions were not supported by documentary evidence. Management did not provide evidence of the updated fixed asset registers, improved fixed asset identification and custodianship procedures, and report on periodic physical verification of fixed assets as asserted by Management.
- 1.8.1.19 Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.9 Inventory Management

1.9.1 Irregularities Associated with Inventory Management System

Criteria

- 1.9.1.1 Regulation U.7 (2) of the PFM Act of 2009 as amended and restated 2019 requires that notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of government inventories held within the Government Agency and for the due performance of the duties of subordinate staff in relation to the government inventories.

Observation

- 1.9.1.2 During the audit, we observed the following irregularities associated with the inventory management system for stationeries and supplies:
- No evidence of approved policy to regulate inventory management of the entity.
 - Inventories were not stored in secured custody. The warehouse was not protected by a metallic door.

- Inventories were not systematically arranged on shelves and comprehensively labeled.
- No evidence of manual or automated inventory management system comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies.
- No evidence of periodic physical verification of inventories/stock take.

Risk

- 1.9.1.3 Inventories may be procured, stored, distributed and reported on a discretionary basis in the absence of a policy.
- 1.9.1.4 Inventory may be susceptible to theft if kept in an unsecured custody.
- 1.9.1.5 Inventory may be susceptible to damage or misappropriation if stored in an inappropriate environment.
- 1.9.1.6 Inventory may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.
- 1.9.1.7 Inventory may be misappropriated leading to decline in operational activities.

Recommendation

- 1.9.1.8 Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the entity. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.
- 1.9.1.9 Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.
- 1.9.1.10 Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.
- 1.9.1.11 Inventory should be systematically arranged on shelves, comprehensively and systematically labeled to facilitate effective monitoring, evaluation and recording of inventories.
- 1.9.1.12 Management should perform periodic physical verification of inventory and review of

systems and records. Appropriate adjustments should be made where applicable.

- 1.9.1.13 Evidence of approved policy, and all other inventory records including records of periodic stock takes, should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.9.1.14 *Management acknowledges the finding. However, the interim management has commenced strengthening inventory management controls through improvement of stock registers, issuance procedures, inventory reconciliation processes, and periodic physical stock verification exercises. Measures are also being reinforced to improve coordination between Procurement, Stores, Finance, and user departments to strengthen inventory accountability and reporting accuracy.*

Management Response (Suspended Management)

- 1.9.1.15 *Management acknowledges the findings and recommendations. Management takes keen interest in improving all internal processes and systems, including the inventory management system. The inventory management policy has been approved and operationalized. There is database in Microsoft Excel that records inventories received and distributed. The storeroom is being revamped to provide for proper ventilation, storage, and security of inventory items. Shelves are being installed to systematically arrange inventory items. Stock and bin cards will be developed and use to properly identify and label inventory items.*
- 1.9.1.16 *The physical verification of inventory items should be done periodically and Management has instructed the logistics officer to conduct physical verification of inventory items procured and distributed for 2024 and 2025. A report will be prepared, submitted, and filed, along with supporting records.*

Auditor General's Position

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

1.10 Revenue Management

1.10.1 Irregularities Associated with Internally Generated Revenue System

Criteria

- 1.10.1.1 Regulation O.1.1&2 of the PFM Act of 2009 as restated in 2019 states "(1) All government agencies shall provide in their annual budgetary estimates, their expected revenue collections and internally generated funds. (2) A head of government agency is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their agencies, departments or office".

Observation

1.10.1.2 During the audit, we observed the following irregularities associated with internally generated revenue system:

- No evidence of policy to regulate the projection, collection and recording of internally generated revenue
- The internally generated revenue was not comprehensively projected and reported in the approved internal budget of the entity.
- Internally generated revenue was collected through cash and not deposited in the entity's accounts in a timely manner.
- No evidence of reconciliation between cash collected and cash subsequently deposited in the entity's accounts.
- No evidence of approved fees listing for the collection of internally generated revenue. Approved fees listing was also not display at visible location.
- No evidence of an automated billing system for the generation of invoices for internally generated revenue.
- 28 receipts for FY 2024 and 25 receipts for the six months ended June 30, 2025 were not accounted for in the Revenue Collection Reports. We observed no evidence that these receipts were voided/ cancelled. **See Table 15 for details.**

Table 15: Irregularities Associated with Internally Generated Revenue System

Receipt Batch Utilized	Quantity in Batch	Receipt Series Unaccounted for	Quantity Unaccounted for
FY 2024			
202-250	49	None	0
251-300	50	260, 281, 286, 300	4
301-350	50	309, 315	2
351-400	50	376, 390, 400	3
401-450	50	401, 416, 424, 431, 450	5
451-500	50	453, 457, 459, 468, 478, 490	6
501-550	50	520, 521, 539	3
551-600	50	551, 563, 575, 578, 590	5
601-614	15	None	0
Total for FY 2024			28
Six Months ended June 30, 2025			
615-650	35	641	1
651-700	50	656, 662, 667, 678,679	5
701-750	50	719, 747,	2
751-800	50	759, 767, 767, 769, 770,771, 772, 773, 775, 790,792,796	12
801-850	50	804, 811, 824	3
851-899	49	864, 886	2
Total			25

Risk

- 1.10.1.3 Internally generated revenue may be projected, collected and reported on a discretionary basis.
- 1.10.1.4 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.
- 1.10.1.5 Management may not fully account for activities/assets of the entity.
- 1.10.1.6 All collections of fees for services may not be deposited in the entity's bank account.
- 1.10.1.7 Internally generated revenue may be susceptible to theft.
- 1.10.1.8 Fees of service may be charged above or below the approved listing.

Recommendations

- 1.10.1.9 Management should account for the 28 receipts for FY 2024 and 25 receipts for the six months ended June 30, 2025 as catalogued in Table 15, as part of Management's Response to this Management Letter.
- 1.10.1.10 Management should develop, approve and operationalize a policy to regulate the projection, collection and reporting of internally generated revenue. As part of the policy, Management should develop approved fees for service. Fees for service should be displayed at visible location at centers for the collection of internally generated revenue. Management should also ensure that approved fees for service is consistent with fees charged to customers evidenced by fees reported on invoices and receipts.
- 1.10.1.11 Management should ensure that all sources of internally generated revenue are comprehensively cataloged, projected and reported in the entity's approved internal budget.
- 1.10.1.12 Management should perform periodic reconciliation amongst the invoices, receipts, deposit slips and bank statements used in the collection of internally generated revenue. Variances identified should be investigated and adjusted where applicable in a timely manner.
- 1.10.1.13 Evidence of approved policy, periodic reconciliation, periodic reports and other supporting records including invoices, receipts, deposit slips and bank statements should be adequately documented and filed to facilitate future review.
- 1.10.1.14 Going forward, Management should procure and operationalize an automated billing system to facilitate comprehensive collection of internally generated revenue. The billing system should be programmed to generate invoices, interfaced with the banking system, and subsequent generation of receipts. Inputs entered into the system by a

junior staff should be reviewed and approved by senior personnel before the system generates invoices and receipts. The billing system should also be interfaced with the accounting software (financial reporting systems).

Management's Response (Interim Management)

- 1.10.1.15 *Management acknowledges the finding. However, the interim management has commenced strengthening internally generated revenue controls through improved revenue recording procedures, reconciliation mechanisms, supervisory review processes, and enhanced coordination between collection points and Finance functions. Additional measures are also being reinforced to strengthen accountability, traceability, and completeness of revenue reporting.*

Management Response (Suspended Management)

- 1.10.1.16 *Management acknowledges the findings and recommendations. The revenue policy has been documented in the financial manual that is being finalized for approval and operationalization. There has been improvement in the internal budget process as internally generated revenues are fully captured in the annual internal budget beginning 2025. Internally generated revenues are no longer collected in cash but directly deposited in designated bank accounts. The bank statements provide the evidence on deposits. Monthly revenue reconciliation has been done and used to prepare monthly revenue reports and financial statements.*
- 1.10.1.17 *Management accepts that approved fees listing was not prepared, approved and displayed. This will be developed, incorporated in the approved financial manual, and displayed immediately.*
- 1.10.1.18 *The automated billing for the generation of invoices for internally generated revenues will be incorporated in the accounting software. Billing information will be generated from the software, collections will be recorded, reconciliations performed, and revenue reports generated.*

Auditor General's Position

- 1.10.1.19 Management assertions did not adequately address the issues raised. Management did not account for the 28 receipts for FY 2024 and 25 receipts for the six months ended June 30, 2025 as catalogued in Table 15 above.
- 1.10.1.20 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.10.2 Irregularities Associated with Internally Generated Revenue Reported

Criteria

- 1.10.2.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt,

custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

Observation

1.10.2.2 During the audit, we observed the following irregularities associated with internally generated revenue reported:

- Internally generated revenues recorded in the financial statements did not reconcile with the Bank Statement and Receipt reports. **See Table 16 for details:**

Table 16: Irregularities Associated with Internally Generated Revenue Reported

Description (A)	Financial Statements US\$ (B)	Receipts Report US\$ (C)	Bank Statements US\$ (D)
FY 2024	911,630.00	912,230.00	1,013,220.00
As June 30, 2025	1,228,050.00	1,228,050.00	1,217,767.84

Risk

1.10.2.3 The completeness and accuracy of revenues may not be assured. Therefore, the financial statements may be misstated.

1.10.2.4 Management may not account for all of its transactions.

Recommendations

1.10.2.5 Management should account for the variances amongst the revenue report, bank statements and the financial statements comprehensively catalogued in Table 16 above, as part of Management’s Response to this Management Letter.

1.10.2.6 Going forward, Management should perform periodic (monthly) reconciliation amongst the revenue report, bank statement and financial statements. Variances identified should be investigated and adjusted (where applicable) in a timely manner. Evidence of periodic reconciliation reports and all other supporting records including invoices, receipts, deposit slips and bank statements should be adequately documented and filed to facilitate future review.

1.10.2.7 Management should ensure that all cash collections are deposited in full and intact into the designated bank accounts within 48 hours of receipt.

1.10.2.8 Management should procure and operationalize an automated billing system to facilitate comprehensive collection of internally generated revenue. The billing system should be programmed to generate invoices, interfaced with the banking system, and

subsequent generation of receipts. Inputs entered into the system by a junior staff should be reviewed and approved by senior personnel before the system generates invoices and receipts. The billing system should also be interfaced with the accounting software (financial reporting systems).

Management's Response (Interim Management)

- 1.10.2.9 *Management acknowledges the finding. However, the interim management has commenced strengthening revenue reconciliation and reporting procedures to improve consistency between collection records, banking records, and financial reports. Supervisory review and verification controls are also being reinforced prior to finalization of revenue reports and financial disclosures.*

Management Response (Suspended Management)

- 1.10.2.10 *Management acknowledges the finding and recommendations. Internally generated revenues are no longer collected in cash but directly deposited in designated bank accounts. The bank statements provide the evidence on deposits. Monthly revenue reconciliation has been done and used to prepare monthly revenue reports and financial statements.*
- 1.10.2.11 *The automated billing for the generation of invoices for internally generated revenues will be incorporated in the accounting software. Billing information will be generated from the software, collections will be recorded, reconciliations performed, and revenue reports generated.*

Auditor General's Position

- 1.10.2.12 Management assertions did not adequately address the issues raised. Management did not account for the variances amongst the revenue report, bank statements and the financial statements comprehensively catalogued in Table 16 above.
- 1.10.2.13 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.11 Receivables Management

1.11.1 Irregularities associated with Account Receivables Management

Criteria

- 1.11.1.1 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."

- 1.11.1.2 Regulation M. 3 (C) of the PFM Act of 2009 as restated in 2019 states that "The funds of a State-Owned-Enterprise shall include monies accruing to the enterprise in the exercise and performance of its functions".
- 1.11.1.3 IFRS 9 recognizes that every loan and receivable carries with it some risk of default such that every such asset has an expected loss attached to it from the moment of its origination or acquisition.
- 1.11.1.4 IFRS 9 allows for trade receivables that do not have a significant financing component to be measured at undiscounted invoice price rather than fair value and also establishes an "expected loss" model that focuses on the risk that a loan or receivable will default rather than whether a loss has been incurred.
- 1.11.1.5 It therefore requires calculating the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods.
- 1.11.1.6 Additionally, IFRS 15-Revenue from Contracts with Customers states that "revenue is recognized when each performance obligation is satisfied".

Observation

- 1.11.1.7 During the audit, we observed the following irregularities associated with receivable management:
- There was no evidence of account receivables management policy,
 - Account receivables were not recorded in a comprehensive, accurate and timely manner,
 - There was no evidence of account receivables aging analysis,
 - There was no evidence of periodic write-off of significantly overdue receivables.

Risk

- 1.11.1.8 Receivables may be accrued, collected and written-off on a discretionary basis. This may lead to the under collection or misstatement of receivables.
- 1.11.1.9 The completeness and accuracy of receivables may not be assured; therefore, the financial statements may be misstated.
- 1.11.1.10 In the absence of a receivables ageing schedule, receivables may not be reliably monitored, evaluated and collected in a timely manner.
- 1.11.1.11 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.

Recommendation

- 1.11.1.12 Management should develop, approve and operationalize receivables management policy to regulate the recognition, collection, adjustment and management of accounts receivables. 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 and IFRS.
- 1.11.1.13 Account receivables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Revenue/receivable should be recognized upon issuance of invoice and subsequent completion of service (**where applicable**). Receivable should be disclosed on the face of the Statement of Financial Position (Balance Sheet).
- 1.11.1.14 Management should establish 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.
- 1.11.1.15 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 (where applicable). 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.
- 1.11.1.16 Management should periodically analyze account receivables to identify slow moving and or impaired receivables and adjust/write-off consistent with policy (where applicable). All receivable write-off should be reviewed and approved by the relevant authority before execution.
- 1.11.1.17 Management should perform periodic reconciliation of receivable balances by reconciling accounts receivable ledgers to customers' statements, receivable confirmation, and the receivable aging analysis (where applicable). Variances identified should be investigated and adjusted where applicable in a timely manner.

Management's Response (Interim Management)

- 1.11.1.18 *Management acknowledges the finding. However, the interim management has commenced strengthening receivables management controls through improved debtor record maintenance, periodic reconciliation of outstanding balances, enhanced follow-up procedures, and supervisory review of receivable accounts. Measures are also being reinforced to improve aging analysis, accountability monitoring, and timely recovery of outstanding obligations owed to the institution.*

Management's Response (Suspended Management)

- 1.11.1.19 *Management acknowledges the findings and recommendations. The receivable policy has been documented in the financial manual that is being finalized for approval and operationalization. There has been improvement in the receivable management process as billings are recorded and receipts against billings. Monthly reconciliation has been done with billings and receipts, against subsidiary ledgers for clients/customers.*
- 1.11.1.20 *Management will begin the ageing of receivables analysis on a monthly basis, with immediate effect. This will determine clients/customers that are timely in meeting their obligations. Writing off of receivables will be done on a case-by-case basis and approved by the Board.*

Auditor General's Position

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

1.12 Payable Management

1.12.1 Irregularities associated with Account Payables Management

Criteria

- 1.12.1.1 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."
- 1.12.1.2 Regulation M. 3 (C) of the PFM Act of 2009 as restated in 2019 states that "The funds of a State-Owned-Enterprise shall include monies accruing to the enterprise in the exercise and performance of its functions".
- 1.12.1.3 PFM Regulations O.1(Paragraph 3) of the PFM Act of 2009 requires that head of government agency shall ensure that all persons liable to pay revenue are informed of bills, demand notes and other appropriate notices, of debts which are due and that adequate measures are taken to obtain payment.
- 1.12.1.4 Furthermore, Regulations O.21 (Paragraph 1-3) of the PFM Act of 2009 requires that Government Agency revenue collectors shall keep records of moneys collected in such form as the Comptroller-General may determine and for such periods consistent with the provisions of Regulation 12. The records shall show the persons from whom revenue is due, description of liability, the amount payable, the date, location, receipt number and

amount of the collections made. The records shall, wherever possible, be self-balancing and shall be reconciled with the cash collections monthly.

Observation

1.12.1.5 During the audit, we observed the following irregularities associated with payable management:

- There was no evidence of account payable management policy,
- Account payable were 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 payables.

Risk

1.12.1.6 Payables may be incurred, paid and written-off on a discretionary basis. This may lead to the over payment or misstatement of payables.

1.12.1.7 The completeness and accuracy of payables may not be assured; therefore, the financial statements may be misstated.

1.12.1.8 In the absence of a payables ageing schedule, payables may not be reliably monitored, evaluated and disbursed in a timely manner.

Recommendation

1.12.1.9 Management should develop, approve and operationalize payables management policy to regulate the recognition, disbursement, adjustment and management of accounts payables. The policy should include a specified period for follow-up on credit payments 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 required regulations and IFRS.

1.12.1.10 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**). Payables should be disclosed on the face of the Statement of Financial Position (Balance Sheet).

1.12.1.11 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.

1.12.1.12 Management should periodically analyze 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.

1.12.1.13 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 (Interim Management)

1.12.1.14 *Management acknowledges the finding. However, the interim management has commenced strengthening payable management controls through improved maintenance of creditor records, periodic reconciliation of outstanding liabilities, enhanced review of supporting documentation, and supervisory verification procedures prior to financial reporting. Measures are also being reinforced to improve accuracy of liability disclosures, monitoring of outstanding obligations, and accountability over institutional commitments.*

Management Response (Suspended Management)

1.12.1.15 *Management acknowledges the findings and recommendations. The payable policy has been documented in the financial manual that is being finalized for approval and operationalization. There has been improvement in the payable management process as obligations are recorded and payments against obligations. Monthly reconciliation has been done with obligations and payments, against subsidiary ledgers for creditors.*

1.12.1.16 *Management will begin the ageing of payable analysis on a monthly basis, with immediate effect. This will determine obligations that are long overdue.*

Auditor General's Position

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

1.13 Assurance Management

1.13.1 No Internal Audit Unit

Criteria

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

Observation

1.13.1.2 During the audit, we observed no evidence of an established and functional Internal Audit Unit for FY 2024.

- 1.13.1.3 We observed that the Internal Audit Agency assumed the internal audit function in January 2025. However, we observed no evidence of periodic risks assessment, internal audit reports and follow-up on the implementation of internal and external audit recommendations as required.

Risk

- 1.13.1.4 The absence of/ non-functional Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.
- 1.13.1.5 Systems, controls and compliance activities may not be monitored, thereby impairing the achievement of the entity's objectives.
- 1.13.1.6 External audit recommendations may not be implemented in a timely manner.

Recommendation

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

Management's Response (Interim Management)

- 1.13.1.9 *Management acknowledges the finding. However, the interim management has since facilitated deployment of Internal Audit personnel to support strengthening of internal control review, compliance monitoring, and pre-audit oversight functions. Measures are also being pursued toward strengthening the operational capacity, reporting structure, and effectiveness of the Internal Audit function consistent with applicable statutory requirements.*

Management's Response (Suspended Management)

- 1.13.1.10 *Management acknowledges the findings and recommendations. Management wrote the Internal Audit Agency (IAA) in July 2024 for internal auditors to be assigned at the Authority (LACRA). A meeting with the IAA was held in October 2024 and the first internal auditors were assigned in January 2025. Since then, the Authority has maintained an Internal Audit Unit. The internal audit charter was prepared and signed. Risk assessment was performed and reports & register were prepared and submitted. The internal audit work plan was prepared and signed on an annual basis. Internal audit activities were carried out and quarterly internal audit reports and post internal audit reports were submitted and filed. This evidence are available for review.*

Auditor General's Position

- 1.13.1.11 Management's assertions were not supported by documentary evidence. Management

did not provide evidence of periodic risks assessment, internal audit reports and follow-up on the implementation of internal and external audit recommendations as requested.

1.13.1.12 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.13.2 No Evidence of Approved Internal Audit Charter

Criteria

1.13.2.1 Part J 1(10) of the PFM Regulations states that "To enhance enforcement of powers and provide the Internal Audit Governance Board with a regulatory operational framework, a Public Sector Internal Audit Charter shall be provided to encompass internal audit mandate, functions and powers of the Internal Audit Governance Board".

1.13.2.2 The International Standards for Professional Practice of Internal Auditing Paragraph 1100 states that "the internal audit activity maintained by agencies and ministries must be independent, and internal auditors must be objective in performing their work."

1.13.2.3 Regulation J.3 (4b) of the PFM Act of 2009 states: "(4) Subject to the Public Finance Management Act 2009 or any other enactment, an internal audit unit established under sub regulation (1): shall carry out internal audit of its institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Finance Management Act 2009; the Internal Audit Governance Board standards and procedures; the Government Agency or Government Organization's accounting and auditing instructions; and International Public Sector Accounting Standards, International Organization of Supreme Audit Institutions (INTOSAI) Standards, and Institute of Internal Auditors Standards as adopted by the Government of Liberia;"

Observation

1.13.2.4 During the audit, we observed no evidence of an approved internal audit charter by the board of directors to enhance the independence of the internal auditors at the entity for the period under review.

Risk

1.13.2.5 In the absence of an approved internal audit charter, the independence, objectivity and activities of the Unit may be impaired.

Recommendation

1.13.2.6 Management should develop an Internal Audit Charter and submit same to the Board of Directors for subsequent review and approval.

1.13.2.7 Subsequently, Management should ensure that the Internal Audit Charter is operationalized to enhance the independence, objectivity and activities of the internal audit function. Evidence of the approved internal audit charter should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.13.2.8 *Management acknowledges the finding. However, the interim management has commenced processes toward development and formalization of an Internal Audit Charter intended to define the authority, reporting lines, responsibilities, operational scope, and independence framework of the Internal Audit function. Pending formal approval, internal audit activities are being guided by applicable statutory provisions and professional internal audit principles.*

Management's Response (Suspended Management)

- 1.13.2.9 *Management acknowledges the finding and recommendation. The internal audit charter was signed by the Director General and approved by the Chairperson of the Board. Management will continue to ensure that the internal audit charter is revised on an annual basis and submitted to the Board for review and approval.*

Auditor General's Position

- 1.13.2.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of the signed and approved Internal Audit Charter as asserted by Management.
- 1.13.2.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.13.3 No Evidence of Approved Internal Audit Plan

Criteria

- 1.13.3.1 Section 1110 of the International Standards for the Professional Practice of Internal Auditing (Standards) states that "Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:
- Approving the internal audit charter.
 - Approving the risk based internal audit plan.
 - Approving the internal audit budget and resource plan.
 - Receiving communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters.
 - Approving decisions regarding the appointment and removal of the chief audit executive.
 - Approving the remuneration of the chief audit executive.
 - Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations".

Observation

- 1.13.3.2 During the audit, we observed no evidence of an internal audit plan that comprehensively catalog planned activities of the internal audit unit for Fiscal Year 2024.

- 1.13.3.3 Additionally, the draft internal audit plan for fiscal year 2025 was not approved by the board of directors as required.

Risk

- 1.13.3.4 Risk assessment activities and periodic internal audits may not be effectively planned for and implemented in a timely manner. This may impair the achievement of the internal audit unit objectives.
- 1.13.3.5 Internal and external audit recommendations may not be followed-up on and implemented in a timely manner.

Recommendation

- 1.13.3.6 The Internal Audit Manager should facilitate the preparation of a comprehensive annual internal audit plan cataloging planned activities of the internal audit function. These activities should include periodic risk assessment, internal audits of selected management functions, and a schedule for following-up on the implementation of internal and external audit recommendations. The annual internal audit plan should be submitted to the Board of Directors for approval and subsequently operationalized.
- 1.13.3.7 Evidence of approved annual internal audit plan should be adequately documented and filed to facilitate future review.

Management's Response (Interim Management)

- 1.13.3.8 *Management acknowledges the finding. However, the interim management has commenced development of risk-based internal audit planning procedures intended to support periodic review of financial, operational, compliance, and administrative activities. Internal audit priorities are also being aligned with key institutional risk areas and management control concerns to strengthen ongoing oversight and accountability mechanisms.*

Management Response (Suspended Management)

- 1.13.3.9 *Management acknowledges the findings and recommendations. The internal audit work plan was prepared and signed on an annual basis. The plan was informed by the annual risk assessment. Going forward, management will ensure that the internal audit plan is revised on an annual basis and submitted to the Board for review and approval.*

Auditor General's Position

- 1.13.3.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of the signed and approved comprehensive annual internal audit plan cataloging planned activities of the internal audit function as asserted by Management.
- 1.13.3.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

ANNEXURES

Annexure 1: Transaction with Inadequate Supporting Documentation

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
2-Apr-24	Payment for vehicle Maintenance and others.	1	- No Tax clearance, - Business Registration - No service Completion Certificate	10,924.00
16-Apr-24	payment for petty cash	5	- No request for payment, - Petty Cash replenishment report	210.00
21-Jun-24	Payment for purchasing of vehicle DDGOTS	68	No request for payment	39,500.00
16-May-24	Payment for assorted goods for LACRA	35	No Vendor Identification attached	709.00
Dec. 3, 2024	Payment for canopy and smart phone for the agriculture fair	254	- No Vendor identification attached - No delivery Note	445.00
Dec. 3, 2024	Payment for security uniform and assorted items	248	- No Vendor Identification attached - No Delivery note - No Distribution list - No Business Registration	1,525.00
Jun. 25, 2024	Payment for capacity building on quality control	81	- No request for payment, - voucher was not approved - No Tax clearance - No Business Registration	250.00
Jul. 1, 2024	Payment for repair and maintenance of generator	84	- No quotation - No Vendor Identification	165.00
Jul. 22, 2024	Payment for vehicles maintenance and repair for DG,DDGA/F,DDGO and Comptroller	105	- No evidence of work done - Unapproved payment request, - No Tax clearance	1,900.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			▪ No Business Registration	
Sep. 6, 2024	Payment for employee access passes.	158	▪ Unapproved payment voucher	976.50
Oct. 24, 2024	Payment for catering service	233	▪ No Tax clearance	3,620.00
			▪ No Business Registration	
			▪ No payment request	
			▪ No attendance for meeting/training	
			▪ No Vendor identification	
Jul. 17, 2024	Payment brushing and clearing of LACRA facility	98	▪ Unapproved Payment Voucher	800.00
			▪ No vendor receipt	
			▪ No invoice	
			▪ No service completion certificate	
27-May-24	Payment for survey on LACRA facility	41	▪ No payment request	300.00
			▪ Unapproved voucher. No vendor receipt	
			▪ No invoice	
			▪ No service completion certificate	
			▪ No surveyor license	
Aug. 22, 2024	Payment of stationeries and other consumables	145	▪ No delivery note	5,000.00
			▪ No invoice	
			▪ No vendor receipt	
24-Jul-24	Payment for entertainment for the independence day	111	▪ No payment request	2,500.00
			▪ Unapproved payment voucher	
			▪ No Tax clearance	
			▪ No Business registration	

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			- No vendor receipt, - No invoice(s), - No delivery note(s)	
Dec. 3, 2024	Payment for Sacket and plastic chair for operation	257	- No vendor receipt, - No invoice(s), - No delivery note(s) - No vendor identification	1,612.00
Jun. 7, 2024	Payment for moisture meter	60	- No quotation - No Tax clearance - No Business Registration - No invoice - No Delivery	1,500.00
Oct. 10, 2024	Payment for catering service	204	- No Payment request - No attendance for the meeting/training - No tax clearance - No Business registration	6,000.00
Oct. 4, 2024	Payment for catering service	192	- No Payment request - No attendance for the meeting/training - No tax clearance - No Business registration	2,000.00
Oct. 30, 2024	Payment for water reservoir, plumbing and other	210	This contract agreement has issue there were no comparative bidding process went on.	5,124.00
Sub-total (Incomplete Documentation)				\$ 85,060.50
Transactions without Documentation FY2024				
Date	Description	Voucher #	Missing Document	Amount
1-May-24	Not Indicated	27	All supporting documents	60.00
11-Oct-24	Not Indicated	197	All supporting documents	500.00
31-Jul-24	Not Indicated	118	All supporting	100.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			documents	
7-Aug-24	Not Indicated	129	All supporting documents	500.00
10-Sep-24	Not Indicated	166	All supporting documents	3,950.00
6-Oct-24	Not Indicated	193	All supporting documents	1,000.00
20-Nov-24	Not Indicated	237	All supporting documents	750.00
16-Dec-24	Not Indicated	276	All supporting documents	5,000.00
17-Dec-24	Not Indicated	281	All supporting documents	556.00
17-Dec-24	Not Indicated	278	All supporting documents	1,200.00
18-Dec-24	Not Indicated	286	All supporting documents	1,000.00
22-Oct-24	Not Indicated	207	All supporting documents	175.00
31-Jul-24	Not Indicated	119	All supporting documents	75.00
17-Dec-24	Not Indicated	282	All supporting documents	542.00
6-May-24	Not Indicated	30	All supporting documents	2,500.00
6-May-26	Not Indicated	31	All supporting documents	210.00
4-Jul-24	Not Indicated	89	All supporting documents	12,200.00
25-Jun-24	Not Indicated	81	All supporting documents	159.00
19-Jun-24	Not Indicated	66	All supporting documents	28.41
18-Jul-24	Not Indicated	99	All supporting documents	80.00
28-Jul-24	Not Indicated	112	All supporting documents	70.00
31-Jul-24	Not Indicated	119	All supporting documents	75.00
11-Sep-24	Not Indicated	167	All supporting documents	20.00
9-Oct-24	Not Indicated	195	All supporting documents	100.00
15-Oct-24	Not Indicated	201	All supporting documents	100.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
8-Oct-24	Not Indicated	194	All supporting documents	2,100.00
10-Jun-24	Not Indicated	63	All supporting documents	180.00
21-Jun-24	Not Indicated	69	All supporting documents	145.00
29-May-24	Not Indicated	45	All supporting documents	55.00
18-Oct-24	Not Indicated	206	All supporting documents	800.00
6-Sep-24	Not Indicated	156	All supporting documents	105.00
4-Dec-24	Not Indicated	260	All supporting documents	550.00
13-Dec-24	Not Indicated	271	All supporting documents	120.00
18-Dec-24	Not Indicated	287	All supporting documents	1,000.00
18-Dec-24	Not Indicated	288	All supporting documents	600.00
2-Apr-24	Not Indicated	1	All supporting documents	690.00
3-Jun-24	Not Indicated	56	All supporting documents	350.00
Sub-total (No Documentation)				37,645.41
Transactions with Incomplete Supporting Documentation as at June 30, 2025				
Date	Description	Voucher #	Missing Document	Amount
20-Jan-25	Payment for vehicle registration for DDGA/F	310	No Tax clearance, Business Registration	200.00
22-Jan-25	Payment for generator maintenance	309	No service Completion Certificate, Receipts	120.00
7-Jan-25	Payment purchasing of security assorted items	300	No Vendor Identification attached, No Delivery Note, No Distribution list, No Business Registration	540.00
8-Jan-25	Payment for security radio programming	301	No Tax clearance, Business Registration	150.00
8-Jan-25	Payment for publicity	304	No Tax clearance, Business Registration, Receipts	2,905.00
22-Jan-25	Payment lunch for the committee member	847	No Tax clearance, Business Registration, Receipts	300.00
24-Jan-25	Payment for billboard, banner,	315	No service Completion Certificate, Receipts	4,480.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
	brochures(publicity)			
29-Jan-25	Payment for refreshment for the retreat committee	852	No Tax clearance, Business Registration, No Receipts	625.00
30-Jan-25	Payment for chlorine to purified the water for the building	326	No Delivery Note, No Receipts	350.00
31-Jan-25	Payment for lunch for the budget committee	327	No Tax clearance, Business Registration, No Receipts	200.00
20-Jan-25	Payment for printing of stickers for the entity	336	No Delivery Note,	300.00
3-Feb-25	payment for lunch for the board chair	332	No Tax clearance, Business Registration, No Receipts	500.00
3-Feb-25	payment for payment vouchers request & receipts	330	No Delivery Note,	1,560.00
3-Feb-25	Payment for refund for DG'S Vehicle maintenance	329	No Tax clearance, Business Registration, No Receipts	100.00
5-Feb-25	Payment for office blind for the DG,IAA, and Comptroller office	335	No Tax clearance, No Receipts	195.00
6-Feb-25	Payment for lunch for the committee on the annual report	344	No Tax clearance, Business Registration, No Receipts	200.00
6-Feb-25	Payment for lunch for sub-committee on food safety	337	No Tax clearance, Business Registration, No Receipts	300.00
7-Feb-25	Payment for binding machine and accessories	342	No Tax clearance, Business Registration, No Receipts	175.00
7-Feb-25	payment for contribution to IACO and ACRN for 2024/2026	341	No Receipt	15,000.00
19-Feb-25	Payment for generator maintenance	350	No service Completion Certificate, Receipts	120.00
20-Feb-25	Payment for technical committee for ITC project	354	No Tax clearance, Business Registration, No Receipts, invoice number	1,000.00
6-Feb-25	Payment for office equipment & supplies	339	No Delivery Note, No Receipts	545.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
	for the HR office			
10-Mar-25	payment for stationary, publicity and others	366	No Tax clearance, Business Registration, No Receipts, invoice number	4,945.00
10-Mar-25	Payment for stationary and office supplies.	368	No Delivery Note, No Receipts	1,409.00
11-Mar-25	Payment for printing of jacket for operation department	370	No Delivery Note, No Distribution list, No Business Registration No Tax Clearance.	180.00
11-Mar-25	Payment for intra-government league regist.	369	No Receipts	750.00
March 11,2025	payment for printing stickers for entity	371	No Delivery Note, No Receipts No Invoice	300.00
17-Mar-25	payment for three compartment toilet	373	No Delivery Note, No Receipts No Invoice	4,788.00
17-Mar-25	payment for renovation of security booth	372	No service Completion Certificate, receipts	2,802.00
18-Mar-25	payment for research fee at the national archive	374	No Tax clearance, Business Registration, No Receipts, invoice number	500.00
18-Mar-25	Payment for Tea accessories for DG'S	375	No Delivery Note, No Receipts	425.00
19-Mar-25	Payment for vehicle repair and maintenance for jan, feb and mar	377	No service Completion Certificate,	4,891.00
20-Mar-25	Payment for management contribution to Liberia physician and surgeons	380	No Tax clearance, Business Registration, No Receipts, invoice number	5,000.00
20-Mar-25	Payment for refreshment for the board meeting	378	No Tax clearance, Business Registration, No Receipts, invoice number	503.00
21-Mar-25	Payment for board first quarter meeting march 2025	381	NO	4,725.00
26-Mar-25	Payment for publicity	386	No Tax clearance, Business Registration, No Receipts, invoice number	250.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
26-Mar-25	payment for generator maintenance	385	No Tax clearance, Business Registration No Service Completion Certificate	120.00
26-Mar-25	Payment for HP 7720 printer cartridge	382	No Delivery Note, No Receipts	240.00
26-Mar-25	Payment for printing bill board	383	No Tax clearance, Business Registration, No Receipts, invoice number	720.00
27-Mar-25	Payment for office equipment & supplies for the HR office	393	No Delivery Note, No Receipts	1,370.00
28-Mar-25	Payment to the muslin employee	395	No Delivery Note, No Distribution list, No Business Registration No Tax Clearance.	432.00
28-Mar-25	Payment for LACRA annual work-plan committee	396	No Tax clearance, Business Registration, No Receipts, invoice number	560.00
27-Mar-25	Payment for the publication bid invitation	392	No Receipts	1,025.00
31-Mar-25	Payment for sport and recreation for the inter-ministerial league	397	No Receipts	2,695.00
1-Apr-25	Payment for developing of five years strategic plan for LACRA	400	No Tax clearance, Business Registration, No Receipts, invoice number	5,265.00
2-Apr-25	Payment for practice section for inter-ministerial league for LACRA player	401	No Receipts	2,220.00
3-Apr-25	Payment generator repair & Maintenance	404	No service Completion Certificate, No receipts	120.00
3-Apr-25	Payment for board refreshment	403	No Tax clearance, Business Registration, No Receipts, invoice number	497.00
4-Apr-25	Payment for Vehicle insurance for the DDGOTs	405	No service Completion Certificate, No receipts, No Business	325.00
7-Apr-25	Payment for live appearance on the Okay FM	408	Business Registration, No Receipts,	300.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
8-Apr-25	Payment for public relation	423	No Tax clearance, Business Registration, No Receipts, invoice number	800.00
10-Apr-25	Payment for additional sporting material	416	No Tax clearance, Business Registration, No Receipts, invoice number	766.00
10-Apr-25	Payment for sport and recreation for the inter-ministerial league	415	No Receipts	1,450.00
10-Apr-25	Payment for purchasing and installation of the account door.	414	No Delivery Note, No Receipts	118.00
April 15,2025	Payment for creation of LACRA social media and Maintenance	419	No Tax clearance, Business Registration, No Receipts, invoice number	750.00
15-Apr-25	Payment for per diem for player and food	420	No Tax clearance, Business Registration, No Receipts, invoice number	3,274.00
22-Apr-25	payment for generator maintenance	426	No service Completion Certificate	120.00
April 22,2025	payment for vehicle registration for LACRA Buses	421	No Tax clearance, Business Registration, No Receipts, invoice number	512.00
28-Apr-25	Payment for Vehicle insurance for the two buses	433	No service Completion Certificate, No receipts, No Business	930.00
28-Apr-25	Payment for refreshment for turnover ceremony of LACRA asset	435	No Tax clearance, Business Registration, No Receipts, invoice number	1,692.00
April 29, 2025	Payment for lunch for committee members	437	No Tax clearance, Business Registration, No Receipts, invoice number	400.00
29-Apr-25	Payment for media coverage on the official turnover ceremony of LACRA asset	436	No Tax clearance, Business Registration, No Receipts, invoice number	350.00
30-Apr-25	Payment for lunch for board members	440	No Tax clearance, Business Registration, No Receipts, invoice	151.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			number	
5-May-25	Payment for branding of LACRA Buses and Motorbikes	448	No Receipts, invoice number Service Completion certificate	690.00
7-May-25	Payment for lunch for committee member to review draft strategic plan	451	No Tax clearance, Business Registration, No Receipts, invoice number	250.00
12-May-25	Payment for sport and recreation for the inter-ministerial league	452	No Tax clearance, Business Registration, No Receipts, invoice number	1,871.00
15-May-25	Payment for refreshment for the board meeting,	455	No Tax clearance, Business Registration, No Receipts, invoice number	369.00
16-May-25	Payment for LACRA contribution-2025 annual	457	NO	2,500.00
19-May-25	Payment for generator repair and maintenance	459	No service Completion Certificate, No receipts	120.00
20-May-25	Payment for vehicle repair and maintenance	460	No service Completion Certificate, No receipts	3,195.00
22-May-25	Payment for reimbursement for exporters lunch meeting	464	No Tax clearance, Business Registration, No Receipts, invoice number	203.00
27-May-25	Payment for bid advertisement in three newspapers	465	No Tax clearance, Business Registration, No Receipts, invoice number	1,200.00
27-May-25	Payment for publicity	466	No Tax clearance, Business Registration, No Receipts, invoice number	350.00
28-May-25	Payment for sport and recreation for the inter-ministerial league	468	No Receipts, invoice number	1,781.00
3-Jun-25	Payment for the remaining 50% for website development	473	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note	1,000.00
4-Jun-25	Payment for construction of water reservoir final payment	475	This contract agreement has issue there were no	5,882.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			comparative bidding process went on.	
11-Jun-25	Payment for LACRA contribution toward the ALPAH gate project	483	No Receipts	1,500.00
12-Jun-25	Payment for renovation of DDOGT office	487	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note	115.00
13-Jun-25	Payment for public relation	488	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note	470.00
13-Jun-25	Payment for the staff development	490	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note	15,000.00
12-Jun-25	Payment for refreshment for board and exporter meeting	489	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note	630.00
16-Jun-25	Payment for the printing of receipt voucher	494	No formal request No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery, No ID copy	160.00
17-Jun-25	Payment for sport and recreation for the inter-ministerial league	499	No Receipts	1,985.00
17-Jun-25	Payment to celebrate LACRA award 2024-2025 at Tropicana beach	503	No formal request, No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery, No ID copy	1,200.00
26-Mar-25	Payment raised for the purchase of two vehicles for LACRA	384	No Receipts, No Vendor Identification attached	78,000.00
23-Jun-25	Payment for awareness on EU Deforestation Regulation	517	Unapproved payment voucher	9,291.63
20-Jun-25	Payment for outstation celebration for employees	515	No quotation, No Tax clearance, No Business Registration, No invoice,	790.00

Date	Description	Voucher #	Missing Document	Amount US\$
Transactions with Incomplete Supporting Documentation for FY 2024				
			No Delivery	
25-Jun-25	Payment for stakeholder meeting with partners	521	No invoice, No Receipt, No Quotation	650.00
25-Jun-25	Payment for stationary and Publicity for one	522	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery	600.00
19-Jun-25	Payment for catering service to celebrate LACRA Award	504	No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery	1,400.00
19-Jun-25	Payment for catering service to celebrate LACRA Award	505	No quotation, No Tax clearance, No Business Registration, No invoice	1,693.00
20-Jun-25	Payment for printing of jackets.	516	No quotation, No Tax clearance, No Business Registration, No invoice	210.00
20-Jun-25	Payment for four set of robin for ID card Machine	508	No Delivery Note, No Receipts	660.00
19-Jun-25	Payment for publicity MICAT press Briefing.	506	No quotation, No Tax clearance, No Business Registration, No invoice	500.00
Total				222,800.63

Annexure 2: Third-Party Payments made to Employee of the Entity

No.	Date	Payee	Purpose	Voucher #	Check #	Amount US\$
Third Party Payments for FY2024						
1	2-Apr-24	Elijah Fendeh	Not Indicated	1	8925	10,924.00
2	10-Apr-24	Oliver G. Wilson	Not Indicated	3	70296	450.00
3	25-Apr-24	Menson Brown	Not Indicated	13	8938	645.00
4	25-Apr-24	Elijah J. K. Fendeh	Not Indicated	15	8934	1,900.00
5	30-Apr-24	Oliver G. Wilson	Not Indicated	22	8942	4,505.00
6	2-May-24	Sylvester B. Gbonyea	Not Indicated	37	8950	3,000.00
7	6-May-24	Elijah Fended	Not Indicated	30	8952	2,500.00
8	29-May-24	Oliver G. Wilson	Not Indicated	52	8975	1,550.00
9	29-May-24	Menson Brown	Not Indicated	53	8972	

*Management Letter On the Financial Statements Audit of the
Liberia Agriculture Commodity Regulatory Authority (LACRA)
For the For the Period January 1, 2024, through to June 30, 2025*

No.	Date	Payee	Purpose	Voucher #	Check #	Amount US\$
						1,550.00
10	28-Jun-25	Oliver Wilson	Not Indicated	82	8511	5,235.00
11	4-Jul-24	Oliver Wilson	Not Indicated	89	8518	12,200.00
12	22-Jul-24	Oliver Wilson	Not Indicated	105	8536	1,900.00
13	31-Jul-24	Irene Horton	Not Indicated	119	8558	1,500.00
14	16-Sep-24	Augustine Barkemeni Kollie	Not Indicated	170	104764	1,200.00
15	26-Sep-24	Elijah J. K Fandeh	Not Indicated	185	104778	1,900.00
16	27-Sep-24	Oliver G. Wilson	Not Indicated	187	104781	4,935.00
17	18-Oct-24	Augustine Barkemeni (Lunch) K.	Not Indicated	206	8550	800.00
18	1-Nov-24	Augustine Barkemeni K.	Not Indicated	216	104846	1,050.00
19	20-Nov-24	Irene D. Horton	Not Indicated	236	104862	4,224.00
20	22-Nov-24	Sylvester Gbonyea	Not Indicated	240	104870	1,880.00
21	22-Nov-24	Oliver G. Wilson	Not Indicated	243	104871	9,000.00
22	4-Dec-24	Oliver G. Wilson	Not Indicated	263	104893	2,850.00
23	4-Dec-24	Oliver G. Wilson	Not Indicated	263	104896	825.00
24	5-Dec-24	Oliver G. Wilson	Not Indicated	264	104897	30,000.00
25	17-Dec-24	Oliver G. Wilson	Not Indicated	279	104912	9,450.00
26	18-Dec-24	Oliver Wilson	Not Indicated	291	104924	1,600.00
27	18-Dec-24	Tina W. Lorenzo	Not Indicated	292	104926	4,410.00
28	18-Dec-24	Oliver G. Wilson	Not Indicated	293	104927	2,629.00
Total for FY 2024						124,612.00
Third Party Payments as June 30, 2025						
1	45,664.00	Chester P. Fahn Jr.	Not Indicated	300.00	104934	540.00
2	45,681.00	Menson Brown	Not Indicated	315.00	104958	4,480.00
3		Chester P. Fahn Jr.	Not Indicated		104971	350.00

*Management Letter On the Financial Statements Audit of the
Liberia Agriculture Commodity Regulatory Authority (LACRA)
For the For the Period January 1, 2024, through to June 30, 2025*

No.	Date	Payee	Purpose	Voucher #	Check #	Amount US\$
	45,687.00			326.00		
4	45,693.00	Chester P. Fahn Jr.	Not Indicated	335.00	104984	195.00
5	45,695.00	Chester P. Fahn Jr.	Not Indicated	342.00	104989	175.00
6	45,694.00	Chester P. Fahn Jr.	Not Indicated	339.00	105000	545.00
7	45,726.00	Chester P. Fahn Jr.	Not Indicated	368.00	105017	1,409.00
8	45,733.00	Chester P. Fahn Jr.	Not Indicated	373.00	105021	4,788.00
9	45,733.00	Chester P. Fahn Jr.	Not Indicated	372.00	105022	2,802.00
10	45,734.00	Chester P. Fahn Jr.	Not Indicated	375.00	105024	425.00
11	45,736.00	Augustine Barkemeni	Not Indicated	380.00	105029	5,000.00
12	45,743.00	Chester P. Fahn Jr.	Not Indicated	393.00	105040	1,370.00
13	45,747.00	Chester P. Fahn Jr.	Not Indicated	397.00	105044	2,695.00
14	45,754.00	Ama Yar Gwaikolo	Not Indicated	407.00	105055	1,750.00
15	45,757.00	Chester P. Fahn Jr.	Not Indicated	414.00	105067	118.00
16	45,775.00	Anthony Daminah	Not Indicated	433.00	105077	930.00
17	45,775.00	Oliver G. Wilson	Not Indicated	435.00	105081	1,692.00
18	45,782.00	Chester P. Fahn Jr.	Not Indicated	448.00	105095	690.00
19	45,796.00	Joe S. Sackie	Not Indicated	459.00	105109	120.00
20	45,804.00	Gordon G. Garway	Not Indicated	465.00	105115	1,200.00
21	45,804.00	Gordon G. Garway	Not Indicated	466.00	105116	350.00
22	45,821.00	Ama Yar Gwaikolo	Not Indicated	490.00	105140	15,000.00
23	45,828.00	Chester P. Fahn Jr.	Not Indicated	516.00	105166	210.00
Total Third-Party payments as at June 30, 2025						46,834.00