



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On The Compliance Audit of the Special Reconciliation of the Government Tax Revenue Collected Through the Government Transitory Bank Accounts and the Consolidated Accounts**

## **VOLUME I – GOL TAX REVENUE RECONCILIATION**

**For the fiscal periods July 1, 2018 to December 31 2024**

**March 2026**

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



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**Acronyms/Abbreviations/Symbols**

<b>Abbreviation</b>	<b>Meaning</b>
AG	Auditor General
ASYCUDA	Automated System for Customs Data
AWPB	Annual Work Plan and Budget
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CS	Consultancy Services
COBIT	Control Objectives of Information Technology
CBL	Central Bank of Liberia
CBO	Custom Business Offices
CAU	Centralized Assessment Unit
ERMCD	Enterprise Risk Management & Compliance Division
EDP	Electronic Data Processing
FA	Financing Agreement
FAR	Fixed Assets Register
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FPM	Financial Procedure Manual
GAC	General Auditing Commission
GOL	Government of Liberia
GRA	General Revenue Account
IFMIS	Integrated Financial Management Information System
IS	Information System
IT	Information Technology
IAS	International Auditing Standards
ISACA	Information System Audit Control Association
LRA	Liberia Revenue Authority
LAN	Local Area Network
LITAS	Liberia Integrated Tax Administration System



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<b>Abbreviation</b>	<b>Meaning</b>
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance & Development Planning
M&A's	Ministries and Agencies
PSI	Pre-shipment Inspection
SIGTAS	Standard Integrated Government Tax Administration System
SAI	Supreme Audit Institution
TAS	Tax Administration System
WAN	Wide Area Network
SOD	Segregation of duties



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**Republic of Liberia**



**TRANSMITTAL LETTER**

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

We have undertaken a Compliance audit on the Special Reconciliation of the Government Tax Revenue Collected through the Government Transitory Bank Accounts and the Consolidated Accounts for the fiscal periods July 1, 2018 to December 31 2024. The Special Reconciliation was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Finding conveyed in this report were formally communicated to the authorities of the Ministry of Finance and Development Planning (MFDP), Liberia Revenue Authority (LRA) and Central Bank of Liberia (CBL) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

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

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

**Monrovia, Liberia**

April 2026



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April 2, 2026

**Hon. Augustine Kpehe Ngafuan**

Minister  
Ministry of Finance and Development Planning  
Broad and Mechlin Streets  
Monrovia, Liberia

**Auditor General's Compliance Audit Report on the Special Reconciliation of the  
Government Tax Revenue Collected Through the Government Transitory Bank Accounts  
and the Consolidated Accounts for the fiscal periods July 1, 2018 to December 31 2024.**

**Adverse Conclusion**

The General Auditing Commission has concluded a Compliance Audit on the Special Reconciliation of the Government Tax Revenue collected through the Government Transitory Bank Accounts and the Consolidated Accounts. The audit has been conducted in compliance with relevant laws and regulations consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as in accordance with the Public Financial Management (PFM) and Regulations of 2009.

Based on the audit work performed, because of the significance of non-compliance matters noted in the Basis for Conclusion paragraphs below, the subject matter is not in all material respect, in compliance with the Revenue Code of Liberia Act of (2000) as Amended and Restated 2011, the Public Financial Management Act 2009 and its Regulation as Amended and Restated 2019, and the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Basis for Adverse Conclusion**

During our compliance audit on the Special Reconciliation of the Government Tax Revenue collected through the Government's Transitory Bank Accounts and the Consolidated Accounts for the fiscal periods July 1, 2018 to December 31 2024, we identified several significant non-compliance issues that have led to our adverse opinion:

**Revenue Reconciliation**

**Discrepancies between Revenue Recorded in Transitory Bank Accounts and GRA**

Total revenue amounting to US\$257,512,276 and L\$23,633,186,485 recorded in the transitory bank accounts could not be traced to the General Revenue Accounts (GRA). Similarly, total revenue from the transitory bank accounts recorded in the GRA amounting to US\$165,783,464 and L\$10,958,454,428 could not be traced to the transitory bank accounts.

**Discrepancies between Revenue Receipts Recorded in TAS and GRA**

Total revenue receipts amounting to US\$1,789,395,225.27 and L\$54,303,473,470.90 recorded in the



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Tax Administrative System (TAS) could not be traced to the General Revenue Account (GRA). Similarly, total revenue receipts recorded in the GRA amounting to US\$1,372,238,195.59 and L\$68,392,483,222.46 could not be traced to the TAS.

Further, because we could not reconcile the unmatched transactions in the TAS to the unmatched transactions in the GRA, we summed up the total matched and unmatched transactions per the TAS and reconciled same to the total matched and unmatched transactions per the GRA resulting into variances amounting to (US\$373,919,113.26) and L\$16,746,210,284.90.

**Discrepancies between Bills and Payments in ASYCUDA and LITAS**

The following irregularities are associated with bills and payments recorded in the LITAS and ASYCUDA:

- Bills reconciled to payments in ASYCUDA resulted into variances amounting to US\$63,909,730.95.
- Some payments in ASYCUDA were not supported by receipts numbers.
- We could not reconcile total bills to payments in LITAS because the currency for assessment transactions in LITAS could not be determined.

**Variances between Revenue Receipts Recorded in ASYCUDA and TAS**

Total revenue receipts amounting to US\$26,041,500.82 recorded in the ASYCUDA could not be traced to the Tax Administrative System (TAS). Furthermore, several ASYCUDA revenue receipts amounting to US\$68,596,567.82 recorded in the Tax Administrative System (TAS) could not be traced to the ASYCUDA.

In addition, several revenue receipts were posted with the same receipt numbers but with different amounts in the TAS and ASYCUDA.

**Unauthorized Withdrawals in Transitory Accounts**

There were several unauthorized withdrawals amounting to US\$ 59,786.14 and L\$ 551,773.87 in the transitory accounts for the periods under audit. These transactions were classified as other debits. Other debits relate to transactions that we could not categorized under any of the previously defined classes of approved debit transactions. Other debits included "school fee deducted, suspended fees payment – online transfers, etc".

**Negative Debits to The Transitory Accounts**

Several negative debits amounting to (US\$301,220.36) and (L\$67,250,268.08) were posted to the transitory accounts. These transactions could not be traced to initial transactions nor were details provided to suggest that these transactions were intended to adjust previous transactions.

**Irregularities Associated with Reversals in the Transitory Accounts**

Several transactions classified as reversals amounting to US\$ 16,069,067.54 and L\$ 501,318,122.11 that could not be traced to initial transactions because the details of the initial transactions intended to be adjusted were not comprehensively recorded in the description of the reversal transactions on



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the bank statements. As a result, we could not trace the initial transactions adjusted nor could we validate the authenticity of the reversal transactions.

**Irregularities Associated with Reversals in the GRA**

Several transactions classified as reversals amounting to US\$ 37,493,195.81 and L\$ 1,910,968,903.27 could not be traced to initial transactions because the details of the initial transactions intended to be adjusted were not comprehensively recorded in the description of the reversal transactions on the bank statements. As a result, we could not trace the initial transactions adjusted nor could we validate the authenticity of the reversal transactions.

**Untimely Remittances of Revenue from the Transitory Accounts to the GRA**

Funds were not remitted in a timely manner from the transitory bank accounts domiciled at commercial banks to the general revenue accounts consistent with the terms and conditions of the MOUs for the fiscal periods July 1, 2018 to December 31, 2024. None of the commercial banks consistently met the 24-hour remittance deadline. The average remittance time ranged from 3 to 24 days.

**Irregularities Associated with the Collection of Revenue at Rural Customs and Tax Collectorates**

The following irregularities are associated with the collection of revenue at rural customs and tax collectorates:

- No evidence of expansion, installation, and operationalization of ASYCUDA and LITAS automated revenue reporting software at rural collectorates to facilitate comprehensive, real-time and accurate recording of revenue generated/collected.
- Bills are manually raised for subsequent payment of taxes.
- Taxes are paid in cash and cash payments from various tax payers were maintained by tax collectors for protracted periods.
- Cash payments collected from tax payers are subsequently deposited in bulk as a single transaction.
- Various bills and payments of taxes were subsequently reported as bulk transactions in the ASYCUDA and LITAS.
- No evidence of reconciliation among bills manually raised, cash collected, cash subsequently deposited and bills and payments recorded in the ASYCUDA and LITAS where applicable.

**No Evidence of a Policy on Government Revenue Reconciliation Framework among the Sector entities (MFDP, LRA and CBL).**

No evidence of a policy framework on the Government revenue reconciliation processes relative to roles and responsibilities among the sector entities (MFDP, CBL and LRA).

**Incomprehensive Recording of Transactions**

Narratives for transactions recorded in the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts appeared incomprehensive. There is no evidence of comprehensive



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and consistent recording of the name of the tax payers/tax identification numbers, the purpose of the tax payments, the tax kind and the period for tax payments.

No evidence of unique numerical identifiers for transactions posted to the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts.

**Irregularities Associated with the Management of the Transitory Accounts**

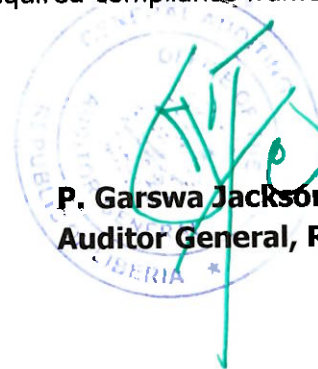
The following irregularities are associated with the management of the transitory accounts:

- Un-swept balances in the transitory accounts at commercial banks amounting to US\$898,563.12 and L\$60,767,609.75 as at January 1, 2024 and balances amounting to US\$574,765.61 and L\$58,978,088.48 as at December 31, 2024.
- The transitory accounts were not closed as at December 31, 2024 and remain opened as at the end of the audit execution.

**Excess Bank Charges**

There were several instances of excess bank charges to the transitory accounts which are not in compliance with the terms and conditions of the MOUs between the LRA and the Commercial banks.

The above issues have a pervasive impact on the management of the Government's transitory revenue accounts and the General Revenue accounts held at the various commercial banks and the CBL compliance with relevant laws, regulations, or standards, causing material non-compliance and raising concerns about the entities' adherence to the required compliance framework.



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

**Monrovia, Liberia**

April 2026



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**Background**

The Liberia Revenue Authority, the semi-autonomous agency of the Government of Liberia is responsible for the collection of all fees, taxes and monies due the Government of Liberia. The Ministry of Finance and Development Planning, is a ministry of the Government of the Republic of Liberia responsible for all payments owed and to be paid by agencies and public corporations of the government of the Republic of Liberia.

The CBL, LRA and MFDP is charged with, among other things, the responsibilities of coordinating activities such as collecting revenues, maintaining revenue collection and disbursement for operational purposes on behalf of the Republic of Liberia; and providing support to the President in carrying out the Executive Functions of the State through close consultation with the Cabinet, key agencies and other institutions, i.e. private sector and civil society.

Transitory revenue accounts are managed by the Liberia Revenue Authority (LRA) and the Central Bank of Liberia (CBL). The LRA collects taxes and deposit them into transitory accounts at commercial banks which are then moved to the Government’s consolidated account held at the CBL. The MOUs signed between the LRA and the various commercial banks require transitory account balances to be swept to the CBL within twenty-four hours.

Sections 1A of Administrative Regulation Number PFMA-01/MOF/R/02 2010 states that Transitory Revenue Account(s) shall be established by MFDP in the name of the CBL at commercial banks. The commercial banks may open collection windows at various institutions or places of collection outside of their banking premises. However, all such collection windows must be directly linked electronically to the transitory accounts for timely and accurate recording of all revenue collected.

The opening of transitory accounts is optional, but when said account is opened it must be done in agreement with the Central Bank of Liberia pursuant to Section 34(4) of the Public Financial Management Act of 2009 as Amended and Restated 2019 which states “The Minister may in agreement with the Central Bank of Liberia authorize the opening of additional bank accounts in the Central Bank of Liberia and other accounts in domestic and foreign commercial banks, to act as transitory banks accounts to facilitate the collection of revenue or processing payments..

**Key Management Personnel**

During the special reconciliation audit, the following key persons manage the affair of the Ministry of Finance (MFDP), Liberia Revenue Authority (LRA) and Central Bank of Liberia (CBL). **See detailed below:**

No.	Name	Institution	Designation	Time Served
1	James Dorbor Jallah	LRA	Director General	January 2024-Present
2	Thomas Doe Nah	LRA	Director General	January 2018-December 2023
3	Rufus Mahn	LRA	Comm. Internal Audit	January 2018-Present
4	Augustine Kpehe	MFDP	Minister	September 2024-Present



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No.	Name	Institution	Designation	Time Served
	Ngafuan			
5	Boima S. Kamara	MFDP	Minister	January-July 2024
6	Samuel D. Tweah Jr	MFDP	Minister	January 2018-December 2023
7	Elwood T. Nettey	MFDP		January 2024-Present
8	Prince Lighe	MFDP	Deputy CAG	July 2015-Present
9	Janga Kowo	MFDP	CAG	January 2018-December 2023
10	Henry F. Saamoi	CBL	Governor	30 July 2024 - Present
11	Milton Alvin Weeks	CBL	Governor	April 2016 – 2018
12	Nathaniel R. Patray	CBL	Governor	2018 - November 2019
13	Jolue Aloysius Tarlue	CBL	Governor	November 2019- 30 July 2024

**Audit Objective**

- To provide the intended user(s) with information on whether the revenue collection processes among the Tax Administration System (TAS) of the Liberia Revenue Authority, GOL, Transitory Accounts at various commercial banks and the GOL Consolidated Revenue Accounts at the Central Bank of Liberia are adequately designed and consistent with legislative decisions, laws, legislative acts, policies, established codes, and agreed upon terms;
- To gather sufficient and appropriate audit evidence on whether the MFDP Financial Management System and Processes are adequately designed and in line with relevant legislative decisions, laws, legislative acts, policies, established codes, and agreed upon terms.
- To report in terms of the GAC reporting requirements as spelt out in part (4) of the GAC Act of 2014, the findings to the National Legislature.

**Audit Criteria**

The audit criteria for the subject matter were the Revenue Code of Liberia Act (2000) as Amended and Restated 2011, the Public Financial Management Act 2009 and its Regulation, Amendment and Restatement of the PFM Act 2009 (2019).

**Subject Matter and Scope**

Special Reconciliation on the Government of Liberia (GOL) revenue collection for the fiscal periods July 1, 2018 through December 31, 2024.

The Compliance Audit of the Special Reconciliation of the Government of Liberia (GOL) revenue collection focuses on the following areas:

- Revenue collected through Tax Administration System (TAS);
- Payments and Bills in LITAS;
- Payments and Bills in SIGTAS;
- Payments and Bills in ASYCUDA;
- Collection of taxes through the General Revenue Accounts (GRA);
- Remittance of taxes through the various commercial banks



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- Remittance of taxes through mobile money and orange money

**Audit Methodology**

This audit was based on document analyses and interviews, and meetings with the key staffs of the CBL, LRA and MFDP. In the process of information gathering, we had several meetings with staffs, assessed the entity's risk assessment documents for the periods under review. We have further assessed transactional documents, reports, and policy documents which are appropriate for our conclusion. The audit was conducted in accordance with ISSAI 4000 INTOSAI's Standards for Compliance Audit.

**Limitation of Responsibility**

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

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



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**1 DETAILED FINDINGS AND RECOMMENDATIONS**

**1.1 Revenue Reconciliation Review**

**1.1.1 Discrepancies between Revenue Recorded in Transitory Bank Accounts and GRA**

**Criteria**

1.1.1.1 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".

1.1.1.2 Regulations O.28 (1&2) of the PFM Act of 2009 as Amended and Restated 2019 states that "The Comptroller-General shall, on a daily basis, reconcile the general revenue account by matching the Bank Payment Slips with the manager's check receipt and matching the revenue to the daily collections listing and subsequently the bank statement. Revenues accruing to government through donor funding but operating outside of the Consolidated Fund shall be recorded using the government Chart of Accounts. The Comptroller-General shall ensure there are adequate mechanisms to reconcile project, pool fund and the proposed county treasury accounts".

**Observation**

1.1.1.3 During the audit, we observed total revenue amounting to US\$257,512,276 and L\$23,633,186,485 recorded in the transitory bank accounts could not be traced to the General Revenue Accounts (GRA). Similarly, we observed total revenue from the transitory bank accounts recorded in the GRA amounting to US\$ 165,783,464 and L\$10,958,454,428 could not be traced to the transitory bank accounts. **See Table 1A & 1B below and annexure 1A-B for details:**

**Table 1A: Discrepancies between Revenue Recorded in Transitory Bank Accounts and GRA**

No.	Fiscal Year	Transitory US\$	GRA US\$
1.	FY18/19	30,715,916	11,522,914
2.	FY19/20	28,525,391	13,561,270
3.	FY20/21	31,240,248	48,943,581
4.	SBY 2021	27,685,050	5,813,852
5.	FY 2022	82,720,160	52,977,928
6.	FY 2023	37,091,712	21,985,739
7.	FY 2024	19,533,799	10,978,180
<b>TOTAL</b>		<b>257,512,276</b>	<b>165,783,464</b>



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**Table 1B: Discrepancies between Revenue Recorded in Transitory Bank Accounts and GRA**

No.	Fiscal Year	Transitory L\$	GRA L\$
1.	FY18/19	1,728,436,196	213,103,262
2.	FY19/20	3,691,685,557	935,810,752
3.	FY20/21	2,497,653,132	1,154,915,624
4.	SBY 2021	4,952,329,074	7,363,965,718
5.	FY 2022	3,008,236,313	661,971,207
6.	FY 2023	5,470,559,898	47,348,543
7.	FY 2024	2,284,286,314	581,339,322
<b>TOTAL</b>		<b>23,633,186,484</b>	<b>10,958,454,428</b>

1.1.1.4 Further, because we could not reconcile the unmatched transactions in the transitory to the unmatched transactions in the GRA, we summed up the total matched and unmatched transactions per the transitory and reconcile same to the total matched and unmatched transactions per the GRA resulting into variances amounting to US\$(91,803,427.00) and L\$(12,674,732,056.56). **See table 1C & 1D below for details.**

**Table 1C: Variances between Revenue Recorded in Transitory Bank Accounts and GRA**

Fiscal Year	Transitory Accounts US\$	GRA US\$	Variance US\$
2018/2019	73,101,699.00	52,688,543.00	(20,413,156.00)
2019/2020	64,882,327.00	47,609,455.00	(17,272,872.00)
2020/2021	61,165,628.00	82,296,182.00	21,130,554.00
SBY	48,705,669.00	27,095,866.00	(21,609,803.00)
2022	109,481,929.00	79,791,622.00	(29,690,307.00)
2023	113,537,282.00	96,368,531.00	(17,168,751.00)
2024	146,931,726.00	140,152,634.00	(6,779,092.00)
<b>Total</b>	<b>617,806,260.00</b>	<b>526,002,833.00</b>	<b>(91,803,427.00)</b>

**Table 1D: Variances between Revenue Recorded in Transitory Bank Accounts and GRA**

FISCAL YEAR	Transitory Accounts L\$	GRA L\$	Variance L\$
2018/2019	6,849,493,218.91	5,334,160,284.95	(1,515,332,933.96)
2019/2020	9,600,898,560.77	6,845,023,755.35	(2,755,874,805.42)
2020/2021	6,063,274,014.76	4,720,536,506.36	(1,342,737,508.40)
SBY	5,743,605,164.33	8,155,241,807.74	2,411,636,643.41
2022	8,327,924,130.62	5,981,659,025.02	(2,346,265,105.60)
2023	9,572,718,121.98	4,149,506,767.26	(5,423,211,354.72)
2024	6,828,285,418.17	5,125,338,426.30	(1,702,946,991.87)
<b>TOTAL</b>	<b>52,986,198,629.54</b>	<b>40,311,466,572.98</b>	<b>(12,674,732,056.56)</b>

**Risk**

- 1.1.1.5 The completeness, existence and accuracy of revenue recorded in the transitory bank accounts and GRA may not be assured. This may facilitate fraudulent financial reporting of revenue and misappropriation of public funds.
- 1.1.1.6 Management may not have disclosed all of the transitory and general revenue bank accounts



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for audit purposes.

- 1.1.1.7 Discrepancies and incomplete records may increase the risk of undetected revenue loss or misappropriation.

**Recommendation**

- 1.1.1.8 Management should account for the unmatched transactions between the transitory bank accounts and GRA, comprehensively catalogued in table 1 (A-B) & 1 (C-D) and annexure 1(A-D), as part of Management's response to this Management Letter.
- 1.1.1.9 Going forward, Management should facilitate the establishment of a revenue/ cash receipt module in the IFMIS to adequately capture actual revenue received during the period. The created revenue module should be automatedly linked with the TAS and the GRAs to facilitate real time and accurate recording of revenue.
- 1.1.1.10 Management should facilitate daily automated reconciliation among the TAS, Transitory (Revenue) bank accounts at commercial banks, GRA and the created Revenue module in IFMIS. 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**

- 1.1.1.11 *Variances between cash receipt recorded in the transitory accounts and General Revenue accounts (GRA) and those reported in the General Revenue Accounts at the Central Bank of Liberia (CBL) are common and can occur for several operational reasons.*
- 1.1.1.12 *Revenue recorded directly through the CBL window into the General Revenue Accounts will not be found in the transitory accounts at the commercial banks, while individual transaction on the transitory accounts at the commercial banks cannot be matched to the GRA using the individual transaction on the transitory accounts.*
- 1.1.1.13 *Sweep are made in bulk transfer from the transitory accounts to the GRA. And as per our review, all sweep from the transitory accounts are found in the general revenue accounts.*
- 1.1.1.14 *It is important to note that all other revenues are credited to the GRA except revenue associated with Vendor sharing arrangement. Where distributions are made amongst parties (GOL, Vendors and Commercial Banks)*
- 1.1.1.15 *Furthermore, management wishes to clarify that the analysis and recording of daily credits to the General Revenue Accounts (GRA) are carried out through an established Tripartite arrangement involving technical staff from the Liberia Revenue Authority (LRA), the Central Bank of Liberia (CBL), and the Ministry of Finance and Development Planning (MFDP). This collaborative process is designed to ensure accuracy, consistency, and mutual verification.*



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*All revenue credits are jointly reviewed and agreed upon by the technical teams and are subsequently validated through formal endorsement by the respective heads of the three institutions. These duly signed Tripartite revenue reconciliation documents are maintained on record and available for verification and authentication as required. (CBL daily GRA statements can be referenced).*

**Auditor General's Position**

- 1.1.1.16 Management's assertions did not adequately address the issues raised. Our reconciliation between the transitory accounts and the GRA concluded by reconciling total credits to the transitory accounts to total sweeps from the transitory accounts recorded in the GRA resulting into variances amounting to US\$91,803,427.00 and L\$12,674,732,056.56 catalogued in tables 1C and 1D. Transactions reconciled from the GRA to the transitory accounts were also debits coded as sweep from transitory accounts. Our reconciliations were also prepared on a post period basis, therefore, discrepancies relative to timing of remittance or recording of revenue transactions is not applicable contrary to Management's assertions. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.2 Discrepancies between Revenue Receipts Recorded in TAS and GRA**

**Criteria**

- 1.1.2.1 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".
- 1.1.2.2 Regulations O.28 (1&2) of the PFM Act of 2009 as Amended and Restated 2019 states that "The Comptroller-General shall, on a daily basis, reconcile the general revenue account by matching the Bank Payment Slips with the manager's check receipt and matching the revenue to the daily collections listing and subsequently the bank statement. Revenues accruing to government through donor funding but operating outside of the Consolidated Fund shall be recorded using the government Chart of Accounts. The Comptroller-General shall ensure there are adequate mechanisms to reconcile project, pool fund and the proposed county treasury accounts".

**Observation**

- 1.1.2.3 During the audit, we observed total revenue receipts amounting to US\$1,789,395,225.27 and L\$54,303,473,470.90 recorded in the Tax Administrative System (TAS) could not be traced to the General Revenue Account (GRA). Similarly, we observed total revenue receipts recorded in the GRA amounting to US\$1,372,238,195.59 and L\$68,392,483,222.46 could not be traced to the TAS. **See Table 2A & 2B below and annexure 2 (A-B) for details:**



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**Table 2A: Discrepancies between Revenue Receipts Recorded in TAS and GRA**

No.	Fiscal Year	TAS US\$	GRA US\$
1.	FY18/19	113,666,310	79,620,385
2.	FY19/20	220,552,836	174,055,745
3.	FY20/21	316,116,783	167,094,151
4.	SBY 2021	106,567,364	90,543,326
5.	FY 2022	318,885,675	305,478,428
6.	FY 2023	292,008,864	218,461,515
7.	FY 2024	421,597,394	336,984,647
<b>TOTAL</b>		<b>1,789,395,225</b>	<b>1,372,238,196</b>

**Table 2B: Discrepancies between Revenue Receipts Recorded in TAS and GRA**

No.	Fiscal Year	TAS L\$	GRA L\$
1.	FY18/19	7,292,905,505	9,283,546,332
2.	FY19/20	10,710,541,798	13,829,892,567
3.	FY20/21	8,544,586,224	9,481,956,779
4.	SBY 2021	3,196,026,935	4,147,899,618
5.	FY 2022	7,674,302,774	9,327,474,762
6.	FY 2023	9,487,737,298	8,680,801,438
7.	FY 2024	7,397,372,937	13,640,911,724
<b>TOTAL</b>		<b>54,303,473,471</b>	<b>68,392,483,220</b>

1.1.2.4 Further, because we could not reconcile the unmatched transactions in the TAS to the unmatched transactions in the GRA, we summed up the total matched and unmatched transactions per the TAS and reconcile same to the total matched and unmatched transactions per the GRA resulting into variances amounting to US\$(373,919,113.26) and L\$16,746,210,284.90. **See table 2C & 2D below for details.**

**Table 2C: Variances between Revenue Receipts Recorded in TAS and GRA**

FISCAL YEAR	TAS US\$	GRA US\$	Variance US\$
2018/2019	349,379,415.90	316,582,544.15	(32,796,871.75)
2019/2020	442,423,099.41	397,506,725.06	(44,916,374.35)
2020/2021	568,573,747.95	419,696,974.05	(148,876,773.90)
SBY	273,990,096.87	260,740,843.31	(13,249,253.56)
2022	625,012,120.03	645,925,997.58	20,913,877.55
2023	557,261,742.68	486,991,900.29	(70,269,842.39)
2024	589,359,653.71	504,635,778.85	(84,723,874.86)
<b>TOTAL</b>	<b>3,405,999,876.55</b>	<b>3,032,080,763.29</b>	<b>(373,919,113.26)</b>

**Table 2D: Variances between Revenue Receipts Recorded in TAS and GRA**

Fiscal Year	TAS L\$	GRA L\$	Variance
2018/2019	22,057,771,078.12	24,066,397,621.33	2,008,626,543.21



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Fiscal Year	TAS L\$	GRA L\$	Variance
2019/2020	24,544,407,593.44	27,859,075,052.66	3,314,667,459.22
2020/2021	20,920,790,146.61	21,858,160,701.56	937,370,554.95
SBY	8,252,967,835.66	9,237,059,222.33	984,091,386.67
2022	19,883,692,823.55	21,918,630,139.57	2,034,937,316.02
2023	28,061,074,706.72	29,264,835,497.99	1,203,760,791.27
2024	28,022,805,897.31	34,285,562,130.87	6,262,756,233.56
<b>Total</b>	<b>151,743,510,081.41</b>	<b>168,489,720,366.31</b>	<b>16,746,210,284.90</b>

**Risk**

- 1.1.2.5 The completeness, existence and accuracy of revenue receipts recorded in the TAS and GRA may not be assured. This may facilitate fraudulent financial reporting of revenue and misappropriation of public funds.
- 1.1.2.6 Illegitimate transactions may be recorded in the TAS. Revenue may be deposited in the GRA for which bills and other records may not be available in the TAS. This may lead to misstatement of revenue and misappropriation of public funds.
- 1.1.2.7 Management may not have disclosed all of the general revenue bank accounts for audit purposes.
- 1.1.2.8 Discrepancies and incomplete records may increase the risk of undetected revenue loss or misappropriation.

**Recommendation**

- 1.1.2.9 Management should account for the unmatched revenue receipts between the TAS and GRA, comprehensively cataloged in table 2A & 2B and annexure 2(A-D), as part of Management's response to this Management Letter.
- 1.1.2.10 Going forward, Management should ensure that all receipts of revenue and tax payments are preceded by the creation of bills or invoices through the appropriate tax systems (LITAS and ASYCUDA) before deposits of funds in the GRA. The GRA should be automatically linked to the TAS such that as payments are received in the GRA, the TAS is automatically updated.
- 1.1.2.11 Management should facilitate the establishment of a revenue/ cash receipt module in the IFMIS to adequately capture actual revenue received during the period. The created revenue module should be automatically linked with the TAS and the GRAs to facilitate real time and accurate recording of revenue.
- 1.1.2.12 Management should facilitate daily automated reconciliation among the TAS, Transitory (Revenue) Accounts at commercial banks, GRA and the created Revenue module in IFMIS. Variances identified should be investigated and adjusted where applicable in a timely manner.



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Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.2.13 *Variances between receipts recorded in the Tax Administration System (TAS) and those reported in the General Revenue Accounts at the Central Bank of Liberia (CBL) are common and can occur for several operational reasons.*
- 1.1.2.14 *In many cases, delays in bank sweeps contribute to the differences, as commercial banks may not transfer revenue to the CBL on the same day the payment is recorded by the Liberia Revenue Authority (LRA).*
- 1.1.2.15 *revenue collected in rural or remote areas—where internet connectivity is limited—may not be uploaded to TAS immediately. As a result, the cash (in bulk) may reach the CBL before the corresponding receipt is entered into TAS, leading to temporary timing differences.*
- 1.1.2.16 *When comparing revenue between the Tax Administration System and the General Revenue Accounts, relying on dates alone is not sufficient due to these timing gaps. The most reliable method is to match transactions using unique identifiers. In TAS, the unique reference is the receipt number, while in the CBL, the General Revenue Accounts, the corresponding unique identifier is the check number or deposit reference number. Reconciling based on these transaction-specific identifiers ensures greater accuracy and allows variances to be traced and resolved more effectively. Furthermore, commercial Bank sweeps in bulk to the general revenue accounts and the bulk amount cannot be matched in the tax administration system except the transitory accounts. Additionally, some revenue transactions are transfer to the GRA in bulk amounts. The transactions include, Direct transfer (revenue payment made through commercial banks platform), Revenue payment associated with sharing arrangements and Rural revenue collections.*
- 1.1.2.17 *Please see attached excel P15\_1\_1\_5 in reference to data GAC submitted.*
- 1.1.2.18 *Furthermore, management wishes to clarify that the analysis and recording of daily credits to the General Revenue Accounts (GRA) are carried out through an established Tripartite arrangement involving technical staff from the Liberia Revenue Authority (LRA), the Central Bank of Liberia (CBL), and the Ministry of Finance and Development Planning (MFDP). This collaborative process is designed to ensure accuracy, consistency, and mutual verification. All revenue credits are jointly reviewed and agreed upon by the technical teams and are subsequently validated through formal endorsement by the respective heads of the three institutions. These duly signed Tripartite revenue reconciliation documents are maintained on record and available for verification and authentication as required.*



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**Auditor General's Position**

1.1.2.19 Management's assertions did not adequately address the issues raised. Our post reconciliation between the TAS and GRA was performed on an annual basis reconciling total receipts per the TAS to total receipts per the GRA in a given year and not on a transaction basis as asserted in Management's response. Management also did not submit reconciliation reports accounting for the variances on an annual basis as reported in our findings. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.3 Variance between Bills and Payments in ASYCUDA and LITAS**

**Criteria**

1.1.3.1 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**

1.1.3.2 During the audit, we observed the following irregularities associated with bills and payments recorded in the LITAS and ASYCUDA:

- Bills reconciled to payments in ASYCUDA resulted into variances amounting to US\$63,909,730.95. **See table 3A below for details.**
- Some payments in ASYCUDA were not supported by receipts numbers. **See table 3A below for details.**
- We could not reconcile total bills to payments in LITAS because the respective currency for assessment transactions in LITAS could not be determined. **See table 3B below for details.**

**Table 3A: Variance between Bills and Payments in ASYCUDA**

Fiscal Year	Total Assessment (A)	Payments with Receipt numbers (B)	Payments without receipt numbers (C)	Total Payment D=B+C	Variance US\$ E=(A-D)
2018/2019	186,377,700.84	177,379,124.13	128,372.14	177,507,496.27	8,870,204.57
2019/2020	173,094,398.68	163,296,538.15	182,538.38	163,479,076.53	9,615,322.15
2020/2021	204,655,277.24	198,412,736.17	173,877.11	198,586,613.28	6,068,663.96
SBY	115,304,920.70	110,423,727.50	223,419.92	110,647,147.42	4,657,773.28
2022	224,644,885.39	214,015,845.23	232,145.03	214,247,990.26	10,376,895.13
2023	205,261,783.42	193,150,402.95	257,051.00	193,407,453.95	11,854,329.47
2024	228,352,786.11	215,739,590.57	166,653.15	215,906,243.72	12,446,542.39
<b>TOTAL</b>	<b>1,337,691,752.38</b>	<b>1,272,417,964.70</b>	<b>1,364,056.73</b>	<b>1,273,782,021.43</b>	<b>63,909,730.95</b>



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**Table 3B: Unreconciled Bills and Payments in LITAS due to Unavailability of Currency**

Fiscal Year	Assessment	Cancelled Assessment	Total Assessment	Payment US\$	Payment (L\$)
2018/2019	-	-	-	-	-
2019/2020	-	-	-	-	-
2020/2021	-	-	-	724.98	-
SBY	771,565,460.86	-	771,565,460.86	-	17,276.42
2022	494,932,419.11	157,714,081.55	652,646,500.66	19,067,572.25	884,108,166.34
2023	1,123,168,807.63	1,086,792,359.04	2,209,961,166.67	201,286,297.50	15,434,594,902.36
2024	3,230,194,126.24	3,297,485,407.75	6,527,679,533.99	363,591,639.45	18,122,845,586.28
<b>TOTAL</b>	<b>5,619,860,813.84</b>	<b>4,541,991,848.34</b>	<b>10,161,852,662.18</b>	<b>583,946,234.18</b>	<b>34,441,565,931.40</b>

**Risk**

- 1.1.3.3 The absence of unique identifiers for all bills and payments in ASYCUDA may impair effective review and reconciliation of revenue receipts.
- 1.1.3.4 Bills may be raised in the systems without evidence of payments. This may lead to under collection of revenue and misappropriation of public funds.
- 1.1.3.5 Illegitimate payments may be recorded in the systems. This may lead to fraudulent financial reporting and misappropriation of public funds.
- 1.1.3.6 Non assignment of currency for assessment transactions in LITAS may impair effective review and reconciliation of revenue transactions, and facilitate non/inadequate payments for legitimate bills raised in the systems. This may lead to misappropriation of revenue.

**Recommendation**

- 1.1.3.7 Management should account for the variances between the total bills and payments in ASYCUDA comprehensively catalogued in tables 3 (A) above and annexures 3 (A-B), as part of Management's response to this Management Letter.
- 1.1.3.8 Management should provide substantive justification why some payments in ASYCUDA were not supported by receipts numbers and why the respective currency was not assigned to individual assessment transactions recorded in the LITAS as required.
- 1.1.3.9 Going forward, Management should ensure that the systems are configured to produce unique identifiers for all bills and payments in the various tax systems. Management should also ensure that the respective currency for all assessment transactions is recorded in the LITAS during the posting of the entries. The system should be configured such that the assigning of currency becomes a mandatory field for all transactions in the systems.



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- 1.1.3.10 Management should perform periodic reconciliations between payments for individual bills raised in LITAS, SIGTAS and ASYCUDA. 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.
- 1.1.3.11 Management should conduct routine data integrity checks and perform periodic systems updates. Discrepancies identified should be investigated and resolved where applicable in a timely manner.

**Management's Response**

- 1.1.3.12 *Variance between ASYCUDA Assessment and Payment: While the LRA expect some assessed taxes to be outstanding (unpaid), the amount reported in the Auditor's finding is higher than the actual outstanding taxes. The following point was not considered by the auditors in arriving at their finding regarding variance between Customs Assessments and Customs Payment in ASYCUDA: From our review of the annexure 3A, some of the ASYCUDA assessments considered unpaid are cancelled assessments. For example, Declaration reference C1316 was cancelled. Meanwhile the associated assessment is found in annexure 3A as unpaid assessment. See system screenshot 3A-1 and 3A-2 to confirm that Declaration was cancelled. Cancelled Assessment are invalid and arise from reasons such as error in declaration submitted by taxpayers. Usually, taxpayer will submit new declaration after cancellation of a declaration due to error. Hence, the auditor should not have considered cancelled assessment in deriving the variance between assessment and payment. The LRA is willing during the exit meeting and/or at the convenience of the GAC to conduct a full live system validation session regarding these transactions. The customs process is such that release of goods is only possible after payment of taxes, approval of exemption or approval of instalment plan. When taxes are not paid for non-exempt imports, the goods are not released and later auctioned after specified period of storage. Hence, the risk of high uncollectible taxes for custom duties is low.*
- 1.1.3.13 *Currency of Assessment Transaction in LITAS cannot be determined: The currency of the amounts in the LITAS Assessment Report provided by the LRA to the Auditor is denominated in United States Dollars. When the Auditors sought clarification on the currency of the amount in the report, the LRA informed the auditors that the report currency is United States Dollar. The auditors can validate the LRA Assertion about the currency of the assessment report by logging into the LITAS and checking the currency of few of the assessments (if not all) in the Assessment Module. See screenshot 3B-1 which is a screenshot of LITAS Assessment module for one of the assessments in the Assessment Report. The screenshot shows the assessment number, amounts and currency. The auditors have access to LITAS Assessment Module. Besides, the report provided to the auditors is a user-defined report which is used by Assessment, Analysis and Accounting Sections of the Domestic Tax Department. Hence, the LRA Functional Team can include a column to explicitly show the currency using the LITAS Report Builder module.*



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1.1.3.14 *Variance between Assessments and Payment in LITAS: While the LRA expect some assessed taxes to be outstanding (unpaid), the amount reported in the Auditor's finding is higher than the actual outstanding taxes. The auditor included cancelled Assessment amounts to derive at the total assessment amount before computing variance. Cancelled Assessment Amount should not be considered in total assessment amount. The LRA is willing during the exit meeting and/or at the convenience of the GAC to conduct a full live system validation session regarding these transactions.*

**Auditor General's Position**

1.1.3.15 We acknowledge Management subsequent submission of exhibit 3A-1 detailing reference of cancelled assessment after our audit execution. However, during our review of the exhibit we observed that there were ten (10) transactions with reference number C1316 amounting to US\$25,040.26. Full payments for seven of those transactions were recorded in the ASYCUDA amounting to US\$22,635.34. The remaining three transactions referenced C1316 amounting to US\$2,404.92 were observed to be cancelled. Therefore, total variances reported per table 3A amounting to US\$63,909,730.95 minus US\$2,404.92 cancelled assessments equals US\$63,907,326.03 to be accounted for by Management. We observed no evidence of a reconciliation report between bills and payments in ASYCUDA nor were there report detailing actions taken for unpaid assessments consistent with the law.

OFFICE TIN	COMPANY	REF. NUMBER	ASSESSMENT NUM	ASSESSMENT DATE	RECEIPT NUMBER	RECEIPT DATE	Declaration Ref. Year	ASSESSED AMOUNT	RECEIPT AMOUNT	RECEIPT NO	STATUS
LFRFP 500804551	BENJAMIN OKEOTE	C1316	A9244	02/07/2018			2018	2,092.95			RECEIPT
LRRIA 50031253	LIBERIA BANK FOR I	C1316	A1451	03/04/2019			2019	275.94			RECEIPT
LFRFP 500031734	DALIAN HAILIAN SE	C1316	A6561	03/05/2019	R5990	43589	2019	2,625.01	2,625.01	2019R5990	RECEIPT
LRRIA 500049208	LIBERIA BOARD FOR	C1316	A1371	18/05/2020			2020				RECEIPT
LFRFP 501043630	CHICHA BUSINESS	C1316	A6367	25/05/2020	R6119	43985	2020	2,164.03	2,164.03	2020R6119	RECEIPT
LFRFP 500114976	CICA MOTORS LIBEFC	C1316	A4398	08/03/2021	R4096	44272	2021	5,200.55	5,200.55	2021R4096	RECEIPT
LRRIA 500277327	MEDECINS SANS FRI	C1316	A1436	01/05/2021			2021				RECEIPT
LFRFP 500783388	HOME GOODS STOF	C1316	A2528	12/02/2022	R2480	44611	2022	4,377.86	4,377.86	2022R2480	RECEIPT
LRRIA 500033821	BEA MOUNTAIN MII	C1316	A1327	06/05/2022			2022	36.03			RECEIPT
LFRFP 500005852	HOME LINE CORPOI	C1316	A1396	23/01/2023	R1176	44951	2023	4,155.92	4,155.92	2023R1176	RECEIPT
LRRIA 500301817	PARTNERS IN HEALT	C1316	A1317	24/05/2023			2023				RECEIPT
LFRFP 501519065	P. H. EXPRESS BUSIN	C1316	A2415	06/02/2024	R1877	45330	2024	3,259.97	3,259.97	2024R1877	RECEIPT
LR 500074705	CHRISTAIN CONGRE	C1316	A1317	27/05/2024	R1032	45450	2024	852.00	852.00	2024R1032	RECEIPT
<b>Total</b>								<b>25,040.26</b>	<b>22,635.34</b>		

1.1.3.16 We acknowledge Management's assertion that all assessments raised in LITAS are United States Dollars transactions. However, we observed no evidence of currency symbol for assessment transactions recorded in the LITAS to support Management's assertions. Additionally, we observed that payments were quoted in both Liberian and United States Dollars. Further, assuming all assessments were valued using the United States Dollars denomination, we perform a reconciliation between total assessments (minus cancelled assessments) and total payments (converting the Liberian Dollars payments using an average rate of L\$185) and observed unaccounted variances amounting to US\$307,752,104.66. **See table 3C and 3D below.**



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**Table 3C: Variance between Bills and Payments in LITAS**

FY	Assessment	Cancelled Assessment	Outstanding Assessment	Payment US\$	Payment (L\$)
2018/2019	-	-	-	-	-
2019/2020	-	-	-	-	-
2020/2021	-	-	-	724.98	-
SBY	771,565,460.86	-	771,565,460.86	-	17,276.42
2022	494,932,419.11	157,714,081.55	337,218,337.56	19,067,572.25	884,108,166.34
2023	1,123,168,807.63	1,086,792,359.04	36,376,448.59	201,286,297.50	15,434,594,902.36
2024	3,230,194,126.24	3,297,485,407.75	-67,291,281.51	363,591,639.45	18,122,845,586.28
<b>TOTAL</b>	<b>5,619,860,813.84</b>	<b>4,541,991,848.34</b>	<b>1,077,868,965.50</b>	<b>583,946,234.18</b>	<b>34,441,565,931.40</b>

**Table 3D: Variance between Bills and Payments in LITAS**

FY	Outstanding Assessment	Payment US\$	Payment (L\$ to US\$ @185)	Total Payments	Variance
2018/2019	-	-	-	-	-
2019/2020	-	-	-	-	-
2020/2021	-	724.98	-	724.98	(724.98)
SBY	771,565,460.86	-	93.39	93.39	771,565,367.47
2022	337,218,337.56	19,067,572.25	4,778,963.06	23,846,535.31	313,371,802.25
2023	36,376,448.59	201,286,297.50	83,430,242.72	284,716,540.22	(248,340,091.63)
2024	(67,291,281.51)	363,591,639.45	97,961,327.49	461,552,966.94	(528,844,248.45)
<b>TOTAL</b>	<b>1,077,868,965.50</b>	<b>583,946,234.18</b>	<b>186,170,626.66</b>	<b>770,116,135.86</b>	<b>307,752,104.66</b>

1.1.3.17 We observed no evidence of a reconciliation report between bills and payments in LITAS nor were there report detailing actions taken for unpaid assessment consistent with the law.

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

**1.1.4 Discrepancies between Revenue Receipts Recorded in ASYCUDA and TAS**

**Criteria**

1.1.4.1 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".



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1.1.4.2 Regulations O.28 (1&2) of the PFM Act of 2009 as Amended and Restated 2019 states that "The Comptroller-General shall, on a daily basis, reconcile the general revenue account by matching the Bank Payment Slips with the manager's check receipt and matching the revenue to the daily collections listing and subsequently the bank statement. Revenues accruing to government through donor funding but operating outside of the Consolidated Fund shall be recorded using the government Chart of Accounts. The Comptroller-General shall ensure there are adequate mechanisms to reconcile project, pool fund and the proposed county treasury accounts".

**Observation**

1.1.4.3 During the audit, we observed total revenue receipts amounting to US\$26,041,500.82 recorded in the ASYCUDA could not be traced to the Tax Administrative System (TAS). Similarly, we observed several ASYCUDA revenue receipts amounting to US\$68,596,567.82 recorded in the Tax Administrative System (TAS) could not be traced to the ASYCUDA. **See Table 4A & 4B below and annexure 4(A-B) for details:**

**Table 4A: Discrepancies between Revenue Receipts Recorded in ASYCUDA and TAS**

Fiscal Year	TAS US\$	ASYCUDA PAYMENT US\$
2018/2019	5,297,524.59	20,370,800.94
2019/2020	7,793,649.02	1,243,718.54
2020/2021	3,934,311.42	347,218.71
SBY	5,620,503.70	33,317.66
2022	14,939,277.65	636,635.92
2023	10,664,268.18	2,064,971.94
2024	20,347,033.26	1,344,837.11
<b>Total</b>	<b>68,596,567.82</b>	<b>26,041,500.82</b>

1.1.4.4 Additionally, we observed several revenue receipts posted with the same receipt numbers but with different amounts in the TAS and ASYCUDA. **See table 4B below for details.**

**Table 4B: Different Amount with Same Receipts Numbers Recorded in ASYCUDA and TAS**

Fiscal Year	TAS PMT US\$	ASYCUDA PMT US\$
2018/2019	27,285,475.32	55,598,652.87
2019/2020	15,727,839.38	70,810,295.24
2020/2021	16,371,382.62	75,031,931.63
SBY	101,169.82	35,416,629.31
2022	15,363,392.50	88,096,229.59
2023	10,503,604.58	71,203,115.13
2024	16,648,814.51	78,832,944.78
<b>Total</b>	<b>102,001,678.73</b>	<b>474,989,798.55</b>

**Risk**

1.1.4.5 The completeness, existence and accuracy of revenue receipts recorded in the TAS and ASYCUDA may not be assured. This may facilitate fraudulent financial reporting of revenue and misappropriation of public funds.



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- 1.1.4.6 Illegitimate transactions may be recorded in the TAS. Transactions may be recorded in ASYCUDA for which no payment may have been made in the transitory accounts, GRA (where applicable) and recorded in the TAS. This may lead to misstatement of revenue and misappropriation of public funds.
- 1.1.4.7 Discrepancies and incomplete records may increase the risk of undetected revenue loss or misappropriation.
- 1.1.4.8 Different receipts transactions with similar receipts number may impair effective review and reconciliation of revenue transactions. This may lead to fraudulent financial reporting and misappropriation of revenue.

**Recommendation**

- 1.1.4.9 Management should account for the unmatched revenue receipts between the TAS and ASYCUDA, comprehensively catalogued in table 4A & 4B and annexure 4(A-B), as part of Management's response to this Management Letter.
- 1.1.4.10 Going forward, Management should ensure that all receipts of revenue and tax payments are preceded by the creation of bills or invoices through the appropriate tax systems (LITAS, SIGTAS and ASYCUDA) before deposits of funds in the GRA. The GRA should be automatically linked to the TAS such that as payments are received in the GRA, the TAS is automatically updated. Unique identifier should be automatically generated for all bills/invoices and receipts for effective review and reconciliation purposes.
- 1.1.4.11 Management should facilitate the establishment of a revenue/ cash receipt module in the IFMIS to adequately capture actual revenue received during the period. The created revenue module should be automatically linked with the TAS and the GRAs to facilitate real time and accurate recording of revenue. The GRA should be automatically linked to the TAS such that as payments are received in the GRA, the TAS is automatically updated.
- 1.1.4.12 Management should facilitate daily automated reconciliation among the tax systems (LITAS, SIGTAS and ASYCUDA), TAS, Transitory (Revenue) Accounts at commercial banks, GRA and the created Revenue module in IFMIS. 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**

- 1.1.4.13 *Same Receipt Number with Different Amount: ASYCUDA is built such that receipt number is only unique per customs office and year. Every year, the receipt series starts from 1 at each customs office. So, it is likely to have same receipt number with different payment amount. This suggest that these are two different transactions for either two different periods or two different customs offices or combination of both. To determine a unique reference of a*



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payment transaction in ASYCUDA, the reference should be a composite of year, custom office and receipt number. The Auditors missed this point and as result they arrived at a finding about same receipt number with different amount. Our review of Annexures 4A 4B revealed that the Auditors may not have considered the above point when comparing payments in ASYCUDA and TAS. Hence, they concluded that there was a mismatch between ASYCUDA and TAS for same receipt. For example, receipt number 2018R8660 which is listed as mismatch amount in the annexure 4A has same amount in TAS and ASYCUDA. See 4A-1 and 4A-2 which show ASYCUDA receipt and TAS receipt (receipt verification copy) for same receipt number. The amounts and total are the same on both versions of receipt.

1.1.4.14 Similarly, Receipt 2018R10722 was listed in Annexure 4B as different amounts with same receipt number. However, our cross-check of this finding shows that Receipt 2018R10722 has same amount in both ASYCUDA and TAS. See 4B-1 and 4B-2 which show ASYCUDA receipt and TAS receipt (receipt verification copy) for same receipt number. The amounts and total are the same on both versions of receipt. The LRA is willing during the exit meeting and/or at the convenience of the GAC to conduct a full live system validation session regarding these assertions.

**Auditor General's Position**

1.1.4.15 Management's assertions did not adequately address the issues raised. Management did not account for the unmatched revenue receipts between the TAS and ASYCUDA, comprehensively catalogued in table 4A & 4B and annexure 4(A-B) as requested. Management also did not provide a reconciliation report of the unmatched revenue receipts between the TAS and ASYCUDA.

A	B	C	D	E	F	G	H	I	J	K	L	M	
1	TAS												
2	TAXPAYER TIN	TAX_CODE	TAX_KIND	PAY_DATE	SD	AMOUNT_U	AMOUNT_LRD	BILL_NO	BPS_NO	RECEIPT_NO	BEG_PERIO	RECEIPTNO	CODE
3	THELMA C. M/500534157	115111	Import duties on	06/07/2018		1,518.45	-	000000	0000000	2018R8660	07/06/2011	20188660	TAS1084
4	THELMA C. M/500534157	115126	Customs penalit	06/07/2018		2,866.21	-	000000	0000000	2018R8660	07/06/2011	20188660	TAS787
5	THELMA C. M/500534157	115114	ECOWAS trade le	06/07/2018		57.56	-	000000	0000000	2018R8660	07/06/2011	20188660	TAS888
6	THELMA C. M/500534157	115127	GST on imported	06/07/2018		1,593.39	-	000000	0000000	2018R8660	07/06/2011	20188660	TAS958
7													
8	ASYCUDA												
9	COMPANY TIN1	REF_NUMBER	ASSESSMENT_N	ASSESSMEN	RECEIPT_A			DECLARATI					
10	TOTAL LIBERIA/50000205	C416	UM	T_DATE	MOUNT			RECEIPT_D	ON_REF_YE	RECEIPT_NO		RECEIPT_N	
11	GBONI ENTER/500040207	C424	A499	30/11/2018	44,100.00			ATE	AR	1		UMBER	CODE1
12	MAYOUBAH & /500101203	C418	A493	26/11/2018	36,000.00			30/11/2018	2018	2018R357		R357	ASY9209
13	MONROVIA O /500005987	C411	A486	19/11/2018	11,240.00			30/11/2018	2018	2018R359		R359	ASY9257
								30/11/2018	2018	2018R356		R356	ASY9189
								30/11/2018	2018	2018R358		R358	ASY9167

1.1.4.16 Further, Management did not account for similar receipt numbers with different payment amounts in the TAS and ASYCUDA comprehensively catalogued in table 4B as requested. We observed several similar receipt numbers with different payment amounts contrary to Management's assertions. **See extract below.**



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1	TAXPAYER	TIN	TAX_CODE	TAX_KIND	PAY_DATE	AMOUNT_US D	AMOUNT_LR D	RECEIPT_NO	BEG_PERIOD	RECEIPTNO	CODE
2	ROMAR PLUS BUSINESS CENTER MECHLIN AND FRONT STREETS MONTSEERRADO	500518102	115126	Customs penalties	13/08/2018	0	0	2018R10722	07/06/2011	201810722	TAS8225
3											
4											
5	COMPANY	TIN1	REF_NUMBER	ASSESSMENT_NU M	RECEIPT_DATE	RECEIPT_AM OUNT		ASSESSMENT_DA TE	RECEIPT_NU MBER	CODE1	
6	ROMAR PLUS BUSINESS CENTER MECHLIN AND FRONT STREETS MONTSEERRADO	500518102	C1605	A11085	13/08/2018	2440.88		2018R10722	01/08/2018	R10722	ASY2521
	MONROVIA,LIBERIA										

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

**1.1.5 Variances between Revenue Receipts Recorded in LITAS and TAS**

**Criteria**

1.1.5.1 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".

1.1.5.2 Regulations O.28 (1&2) of the PFM Act of 2009 as Amended and Restated 2019 states that "The Comptroller-General shall, on a daily basis, reconcile the general revenue account by matching the Bank Payment Slips with the manager's check receipt and matching the revenue to the daily collections listing and subsequently the bank statement. Revenues accruing to government through donor funding but operating outside of the Consolidated Fund shall be recorded using the government Chart of Accounts. The Comptroller-General shall ensure there are adequate mechanisms to reconcile project, pool fund and the proposed county treasury accounts".

**Observation**

1.1.5.3 During the audit, we observed total revenue receipts amounting to US\$583,946,234.18 and L\$34,441,174,868 recorded in the LITAS could not be traced to the Tax Administrative System (TAS). Similarly, we observed several LITAS revenue receipts recorded in the Tax Administrative System (TAS) amounting to US\$581,204,174.74 and L\$34,255,948,277 could not be traced to the LITAS. **See Table 5A & 5B below and annexure 5(A-B) for details:**

**Table 5A: Variances between Receipts Recorded in LITAS and TAS**

Fiscal Year	TAS US\$	LITAS PMT US\$	Variance US\$
2018/2019	-	-	-
2019/2020	-	-	-
2020/2021	724.98	724.98	-
SBY	-	-	-



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Fiscal Year	TAS US\$	LITAS PMT US\$	Variance US\$
2022	19,067,572.25	19,067,572.25	-
2023	201,275,742.09	201,286,297.50	(10,555.41)
2024	360,860,135.42	363,591,639.45	(2,731,504.03)
<b>Total</b>	<b>581,204,174.74</b>	<b>583,946,234.18</b>	<b>(2,742,059.44)</b>

**Table 5B: Variances between Revenue Receipts Recorded in LITAS and TAS**

Fiscal Year	TAS L\$	LITAS PMT L\$	Variance L\$
2018/2019	-	-	-
2019/2020	-	-	-
2020/2021	-	-	-
SBY	17,276	17,276	-
2022	884,108,166	884,108,166	-
2023	15,434,230,656	15,434,230,656	-
2024	17,937,592,178	18,122,818,768	185,226,591
<b>Total</b>	<b>34,255,948,277</b>	<b>34,441,174,868</b>	<b>185,226,591</b>

1.1.5.4 Additionally, we observed several revenue receipts posted with the same receipt numbers but with different amounts in the TAS and LITAS. **See table 5C below for details.**

**Table 5C: Different Amount with Same Receipts Recorded in LITAS and TAS**

Fiscal Year	TAS PMT L\$	LITAS PMT L\$
2018/2019	-	-
2019/2020	-	-
2020/2021	-	-
SBY	-	-
2022	-	-
2023	345,406.10	364,245.88
2024	26,835.00	26,817.90
<b>Total</b>	<b>372,241.10</b>	<b>391,063.78</b>

**Risk**

- 1.1.5.5 The completeness, existence and accuracy of revenue receipts recorded in the TAS and LITAS may not be assured. This may facilitate fraudulent financial reporting of revenue and misappropriation of public funds.
- 1.1.5.6 Illegitimate transactions may be recorded in the TAS. Transactions may be recorded in LITAS for which no payment may have been made in the transitory accounts, GRA (where applicable) and recorded in the TAS. This may lead to misstatement of revenue and misappropriation of public funds.
- 1.1.5.7 Discrepancies and incomplete records may increase the risk of undetected revenue loss or misappropriation.



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1.1.5.8 Different receipts transactions with similar receipts number may impair effective review and reconciliation of revenue transactions. This may lead to fraudulent financial reporting and misappropriation of revenue.

**Recommendation**

1.1.5.9 Management should account for the unmatched revenue receipts between the TAS and LITAS, comprehensively catalogued in tables 5A, 5B & 5C and annexures 5(A-C), as part of Management's response to this Management Letter.

1.1.5.10 Going forward, Management should ensure that all receipts of revenue and tax payments are preceded by the creation of bills or invoices through the appropriate tax systems (LITAS, SIGTAS and ASYCUDA) before deposits of funds in the GRA. The GRA should be automatedly linked to the TAS such that as payments are received in the GRA, the TAS is automatically updated. Unique identifier should be automatedly generated for all bills/invoices and receipts for effective review and reconciliation purposes.

1.1.5.11 Management should facilitate the establishment of a revenue/ cash receipt module in the IFMIS to adequately capture actual revenue received during the period. The created revenue module should be automatedly linked with the TAS and the GRAs to facilitate real time and accurate recording of revenue.

1.1.5.12 Management should facilitate daily automated reconciliation among the tax systems (LITAS, SIGTAS and ASYCUDA), TAS, Transitory (Revenue) Accounts at commercial banks, GRA and the created Revenue module in IFMIS. 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**

1.1.5.13 *Of the 9 receipts numbers (L122235, L122238, L122429, L1429272, L1429451, L1430011, L1430444, L1433843, L1433848) listed as same receipt number but different amounts in Annexure 5A, only receipt number L122238 was verified to have different amount. The rest of the receipt's amounts are equal in both LITAS and TAS.*

1.1.5.14 *The different amount between LITAS and TAS for receipt number L122238 was on account of script issue which did not transfer penalty and interest amount from LITAS to TAS. Only tax amount was transferred from LITAS to TAS.*

1.1.5.15 *See receipts reprinted from LITAS with name starting with "LITAS" and containing the receipt number and TAS receipt verification copy. Amounts are the same for both versions of receipts except L122238.*

1.1.5.16 *All payment listed as LITAS payment not found in TAS by the Auditors were found in TAS*



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during review of Management Letter. For example, receipt number L1480657 was listed as found in LITAS but not TAS. However, a cross-check of the systems found receipt in both LITAS and TAS. See reprint of Receipt number L1480657 in both systems herewith attached.

**Auditor General’s Position**

1.1.5.17 Management’s assertions did not adequately address the issues raised. Management did not account for the unmatched revenue receipts between the TAS and LITAS, comprehensively catalogued in tables 5A, 5B & 5C and annexures 5(A-C) as requested. Management also did not provide a reconciliation report of the unmatched revenue receipts between the TAS and LITAS.

1.1.5.18 Further, Management did not account for similar receipt numbers with different payment amounts in the TAS and LITAS comprehensively catalogued in table 5B as requested. We observed several similar receipt numbers with different payment amounts contrary to Management’s assertions. **See extract below.**

1 TAS													
TAXPAYER	TIN	TAX_CODE	TAX_KIND	PAY_DATE	AMOUNT	AMOUNT_IRD	BILL_NO	BPS_NO	RECEIPT_NO	CATEGORY	BEG_PERIOD	END_PERIOD	DESCRIPTION
BARBAR MOTORS CORPORATION	500001464	111141	WH (Res.)	08/02/2023	-	141,294.12	000000		L122235	L	01/12/2022	31/12/2022	ECO Direc TAS7061
BARBAR MOTORS CORPORATION	500001464	143225	Admin.Int	08/02/2023	-	93.00	000000		L122238	L	01/11/2022	30/11/2022	ECO Direc TAS6972
BARBAR MOTORS CORPORATION	500001464	143215	Admin.Per	08/02/2023	-	95.00	000000		L122238	L	01/11/2022	30/11/2022	ECO Direc TAS6987
BARBAR MOTORS CORPORATION	500001464	111141	WH (Res.)	08/02/2023	-	142,428.76	000000		L122238	L	01/11/2022	30/11/2022	ECO Direc TAS7051
GATEWAY ENTERPRISE INC.	500561661	111141	WH (Res.)	10/02/2023	-	61,495.22	000000		L122429	L	01/09/2022	30/09/2022	8BL Direc TAS7333
355062		142204	LB/LBR	Char 12/12/2024	-	3,573.00	000000		L1429772		12/12/2024	12/12/2025	Teller HQ TAS221129
1129546		142204	LB/LBR	Char 12/12/2024	-	3,578.00	000000		L1429451		12/12/2024	12/12/2025	Teller HQ TAS221144
1120842		142434	CF/CD	Basel 13/12/2024	-	12,395.00	000000		L1430011		13/12/2024	13/12/2025	Teller PQ TAS221999
1130310		142204	LB/LBR	Char 16/12/2024	-	2,680.00	000000		L1430444		16/12/2024	16/12/2025	Teller HQ TAS222006
12													
13 LITAS													
TAXPAYER	TIN	TAX_CODE	TAX_KIND	PAY_DATE	AMOUNT	AMOUNT_IRD	BILL_NO	BPS_NO	RECEIPT_NO	TAX_PERIOD	TAX_PERIOD2	CHECK_N_CODE	
BARBAR MOTORS CORPORATION	500001464	111141	WH (Res.)	08/02/2023	-	144,567.91	0		NULL	01/12/2022	31/12/2022	E BLU/BCL	LITAS213450
BARBAR MOTORS CORPORATION	500001464	111141	WH (Res.)	08/02/2023	-	141,521.36	0		NULL	01/11/2022	30/11/2022	E BLU/BCL	LITAS213433
GATEWAY ENTERPRISE INC.	500561661	111141	WH (Res.)	10/02/2023	-	74,156.61	0		NULL	01/09/2022	30/09/2022	8BL/8BLU	LITAS213530
355062	NULL	142204	LB/LBR	Char 12/12/2024	-	3,571.40	0		NULL	12/12/2024	12/12/2025		LITAS80227
1129546	NULL	142204	LB/LBR	Char 12/12/2024	-	3,571.40	0		NULL	12/12/2024	12/12/2025		LITAS80232
1120842	NULL	142434	CF/CD	Basel 13/12/2024	-	12,392.75	0		NULL	13/12/2024	13/12/2025		LITAS74240
1130310	NULL	142204	LB/LBR	Char 16/12/2024	-	2,678.55	0		NULL	16/12/2024	16/12/2025		LITAS80296
362175	NULL	142204	LB/LBR	Char 27/12/2024	-	1,801.90	0		NULL	27/12/2024	27/12/2025		LITAS80430
362144	NULL	142204	LB/LBR	Char 27/12/2024	-	1,801.90	0		NULL	27/12/2024	27/12/2025		LITAS80449

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

**1.1.6 Unauthorized Withdrawals in Transitory Accounts**

**Criteria**

1.1.6.1 Regulation R.1 of the Public Financial Management Act of 2009, Amended and Restated in 2019 states “the Central Bank of Liberia shall be the sole custodian of public funds of Liberia both in and outside the country and may, by notice published in the Gazette, in consultation with the Minister, authorize any bank to act as a custodian of any such moneys as may be specified in the notice”.

1.1.6.2 Section 1 (P ii.2) of the MOU between CBL/LRA and the commercial banks states “all commercial banks shall make transfer of fund to the General Revenue Account at the CBL via the Real Time Gross Settlement System (RTGS) within 24 hours on work days of payment



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into the transitory account but not later than 5pm on transfer day of the next day after the transfer”.

- 1.1.6.3 Section 1 (P iii) of the MOU between CBL/LRA and the commercial banks states “deduct its monthly fees and charges as stipulated in Article 4 for transitory accounts.
- 1.1.6.4 Section 1 (P V) of the MOU between CBL/LRA and the commercial banks states “provide debit advices for all unauthorized transactions to the Office of the National Revenue Accounting and Reconciliation of the Liberia Revenue Authority for all transactions within three (3) days of effecting such transactions.

**Observation**

- 1.1.6.5 During the audit, we observed unauthorized withdrawals amounting to US\$ 59,786.14 and L\$ 551,773.87 in the transitory accounts for the periods under audit. These transactions were classified as other debits. Other debits relate to transactions that we could not categorized under any of the previously defined classes of approved debit transactions. Other debits included “school fees deducted, suspended fees payment – online transfers and etc”. **See table 6A & 6B below and annexure 6 (A-B) for details.**

**Table 6A: Unauthorized Withdrawals in Transitory Accounts**

FISCAL YEAR	Other Debits US\$
2018/2019	4.00
2019/2020	12.98
2020/2021	42.00
SBY	-
2022	162.16
2023	59,565.00
2024	-
<b>TOTAL</b>	<b>59,786.14</b>

**Table 6B: Unauthorized Withdrawals in Transitory Accounts**

FISCAL YEAR	Other Debits L\$
2018/2019	7,940.00
2019/2020	342,513.87
2020/2021	8,660.00
SBY	4,320.00
2022	15,850.00
2023	86,960.00
2024	85,530.00
<b>TOTAL</b>	<b>551,773.87</b>

**Risk**

- 1.1.6.6 Unauthorized withdrawals may lead to loss of revenue and misappropriation of public funds.



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1.1.6.7 Commercial banks may be non-compliant with the terms and conditions of the MOU leading to breach of contract.

**Recommendation**

1.1.6.8 Management should account for unauthorized withdrawals in the transitory accounts under the caption other debits, comprehensively catalogued in tables 6A & 6B above and annexure 6 (A-B) as part of Management's response to this Management Letter.

1.1.6.9 Going forward, there should be daily sweeps of all the monies in the transitory accounts to the consolidated fund account and there should be no other debits (withdrawals) except for bank charges to ensure that monies in the transitory accounts are not used for unintended purposes.

1.1.6.10 The Office of the Comptroller and Accountant General and the Liberia Revenue Authority should facilitate the performance of periodic (daily) bank reconciliation on all the transitory accounts established for revenue collection. Discrepancies identified should be investigated and resolved where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

1.1.6.11 Management should liaise with the commercial banks to facilitate full compliance with the terms and conditions of the MOU. Gaps identified should be investigated and resolved in a timely manner. Commercial banks observed to be in persistent non-compliance with the MOU should lead to termination of the contract.

1.1.6.12 Further, the reconciliation system should be automated for efficiency and effectiveness purposes.

**Management's Response**

1.1.6.13 *All amounts previously reported by GAC as unauthorized debits have since been identified and reconciled within the General Revenue Accounts.*

1.1.6.14 *However, based on the technical nature, complexity, volume of transactions coupled with the need to work with the commercial banks within the limited timeframe given to fully validate and provide the required responses to the above observations makes it challenging to address these observations. We have engaged the commercial banks involved to ensure that an updated responses are provided along with the required supporting documentary evidence on or before the exit meeting.*

**Auditor General's Position**

1.1.6.15 Management's assertions did not adequately address the issues raised. Management did not account for the unauthorized withdrawals in the transitory accounts under the caption other debits, comprehensively catalogued in tables 6A & 6B above and annexure 6 (A-B) as



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

**1.1.7 Negative Debits Recorded in The Transitory Accounts**

**Criteria**

- 1.1.7.1 Regulation R.1 of the Public Financial Management Act of 2009, Amended and Restated in 2019 states "the Central Bank of Liberia shall be the sole custodian of public funds of Liberia both in and outside the country and may, by notice published in the Gazette, in consultation with the Minister, authorize any bank to act as a custodian of any such moneys as may be specified in the notice".
- 1.1.7.2 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**

- 1.1.7.3 During the audit, we observed several negative debits amounting to US\$ (301,220.36) and L\$ (67,250,268.08) posted to the transitory accounts. These transactions could not be traced to initial transactions nor were details provided to suggest that these transactions were intended to adjust previous transactions. **See table 7 for below and annexure 7A & 7B for details.**

**Table 7: Negative Debits to The Transitory Accounts**

<b>FISCAL YEAR</b>	<b>Negative Debits US\$</b>	<b>Negative Debits L\$</b>
2018/2019	(253,829.52)	(400,000.00)
2019/2020	(43,740.84)	(27,592,920.96)
2020/2021	(200.00)	(195,522.77)
SBY	(1,350.00)	-
2022	(2,100.00)	(28,371,922.98)
2023	-	(10,689,901.37)
2024	-	-
<b>Total</b>	<b>(301,220.36)</b>	<b>(67,250,268.08)</b>

**Risk**

- 1.1.7.4 Negative debits which cannot be reconciled to the adjustment of previous transactions may impair effective review and reconciliations.



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1.1.7.5 Negative debits which cannot be reconciled to the adjustment of previous transactions may facilitate fraudulent financial reporting, misstatement of revenue and misappropriation of public funds.

1.1.7.6 Commercial banks may be non-compliant with the terms and conditions of the MOU leading to breach of contract.

**Recommendation**

1.1.7.7 Management should account for negative debits posted to the transitory accounts which could not be reconciled to the adjustment of previous transactions, comprehensively catalogued in annexure 7A and 7B as part of Management's response to this Management Letter.

1.1.7.8 Going forward, there should be daily sweeps of all the monies in the transitory accounts to the consolidated fund account and there should be no other debits (withdrawals) except for bank charges to ensure that monies in the transitory accounts are not used for unintended purposes.

1.1.7.9 The Office of the Comptroller and Accountant General and the Liberia Revenue Authority should facilitate the performance of periodic (daily) bank reconciliation on all the transitory accounts established for revenue collection. Discrepancies identified should be investigated and resolved where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

1.1.7.10 Management should liaise with the commercial banks to facilitate full compliance with the terms and conditions of the MOU. Gaps identified should be investigated and resolved in a timely manner. Commercial banks observed to be in persistent non-compliance with the MOU should lead to termination of the contract.

1.1.7.11 Further, the reconciliation system should be automated for efficiency and effectiveness purposes.

1.1.7.12 Management should facilitate internally, and liaise with its bankers to initiate the recording of detailed narratives for all transactions in the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts. The following details should be comprehensively and consistently recorded for all transactions where applicable: the name of the tax payers/tax identification numbers, the value of the transactions, the purpose of the tax payments, the tax kind and the period for tax payments.

1.1.7.13 Management should liaise with the commercial banks to facilitate comprehensive and adequate recording for all reversals and transactions intended to adjust previous incorrectly posted transactions.



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- 1.1.7.14 Further, Management should develop a comprehensive coding system comprising of unique numerical identifiers for transactions posted to the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts. The comprehensive coding system should be communicated to all parties (LRA, MFDP, CBL and the commercial banks) and subsequently utilized for recording of all transactions.
- 1.1.7.15 Management should facilitate routine training for staff on data entries posting and classification of transactions.

**Management's Response**

- 1.1.7.16 *Management is responsible for reconciling all debit transactions recorded in the transitory accounts at commercial banks and ensuring that each debit is accurately reflected as a corresponding credit in the General Revenue Accounts. Negative debit entries may appear on bank statements as part of standard accounting and reconciliation processes, including routine bank operations to align precisely recorded transactions with supporting documentation. These entries form a normal part of ensuring that account activity remains accurate, complete, and consistent with underlying financial records. Please see attached Negative Debit Reference\_GAC\_Audit\_Report of said transaction as highlighted in yellow.*

**Auditor General's Position**

- 1.1.7.17 Management's assertions did not adequately address the issues raised. The one-page bank statement presented in response to our audit findings detailed an actual reversal transaction traced to an initial entry, plus a negative debit posting which could not be traced to initial or subsequent transactions.
- 1.1.7.18 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.8 Irregularities Associated with Reversals in the Transitory Accounts**

**Criteria**

- 1.1.8.1 Regulation A13 (1) – (4) of the Public Financial Management Act of 2009, Amended and Restated in 2019 provides that an incorrect figure on a payment voucher, the supporting document, register or a document may be amended by ruling a single line through it, in such a way that the original entry may be clearly read, and the correct figure inserted above the original entry and the officer signing or certifying the document shall initial the amended entry.
- 1.1.8.2 An incorrect figure in the cashbook, ledger, a computerized system or any book of account shall be corrected by passing the necessary journal entries and effecting the correction accordingly.



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1.1.8.3 An amendment or adjustment shall not be made to audited figures without the express permission in writing of the Auditor General or a representative of the Auditor General. The making of an amendment or adjustment contrary to sub-regulation (1) and (2) is a breach of financial discipline as defined in sub regulation A.20(1).

**Observation**

1.1.8.4 During the audit, we observed several transactions classified as reversals amounting to US\$ 16,069,067.54 and L\$ 501,318,122.11 that could not be traced to initial transactions because the details of the initial transactions intended to be adjusted were not comprehensively recorded in the description of the reversal transactions on the bank statements. As a result, we could not trace the initial transactions adjusted nor could we validate the authenticity of the reversal transactions. **See table 8 below and annexure 8A and 8B for details.**

**Table 8: Irregularities Associated with Reversals in the Transitory Accounts**

FISCAL YEAR	Reversal US\$	Reversal L\$
2018/2019	1,905,470.37	36,529,170.90
2019/2020	1,247,478.75	99,211,314.60
2020/2021	772,910.57	8,349,485.16
SBY	252,280.08	727,955.53
2022	945,429.30	39,626,398.97
2023	455,277.23	51,542,264.90
2024	10,490,221.24	265,331,532.05
<b>Total</b>	<b>16,069,067.54</b>	<b>501,318,122.11</b>

**Risk**

1.1.8.5 Reversals which cannot be reconciled to the adjustment of previous transactions may impair effective review and reconciliations.

1.1.8.6 Reversals which cannot be reconciled to the adjustment of previous transactions may facilitate fraudulent financial reporting, misstatement of revenue and misappropriation of public funds.

**Recommendation**

1.1.8.7 Management should account for reversals posted to the transitory accounts which could not be reconciled to the adjustment of previous transactions, comprehensively cataloged in annexure 8A and 8B as part of Management’s response to this Management Letter.

1.1.8.8 Going forward, Management should ensure that all reversals posted to the transitory accounts include detailed narratives cataloging the dates, descriptions, values and approved unique identifiers of the previous transactions to facilitate reconciliation between the reversals and the previously posted incorrect transactions.



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- 1.1.8.9 The Office of the Comptroller and Accountant General and the Liberia Revenue Authority should facilitate the performance of periodic (daily) bank reconciliation on all the transitory accounts established for revenue collection. Discrepancies identified should be investigated and resolved where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.8.10 *Management acknowledges the irregularities with reversals in the transitory accounts but this irregularity has no material effect on the overall movement of revenue to the GRA. As per our validation, all of these reversal transactions were identified as both Credit and Debit transactions. Management has included measure to address these concerns in the new circulated MOU with all commercial banks collecting GOL revenue.*

**Auditor General's Position**

- 1.1.8.11 Management's assertions did not adequately address the issues raised. Management did not account for reversals posted to the transitory accounts which could not be reconciled to the adjustment of previous transactions, comprehensively catalogued in annexure 3A and 3B as requested. Management also did not provide a reconciliation report detailing the initial transactions for which the reversals were intended to correct/adjust. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.9 Irregularities Associated with Reversals in the GRA**

**Criteria**

- 1.1.9.1 Regulation A13 (1) – (4) of the Public Financial Management Act of 2009, Amended and Restated in 2019 provides that an incorrect figure on a payment voucher, the supporting document, register or a document may be amended by ruling a single line through it, in such a way that the original entry may be clearly read, and the correct figure inserted above the original entry and the officer signing or certifying the document shall initial the amended entry.
- 1.1.9.2 An incorrect figure in the cashbook, ledger, a computerized system or any book of account shall be corrected by passing the necessary journal entries and effecting the correction accordingly.
- 1.1.9.3 An amendment or adjustment shall not be made to audited figures without the express permission in writing of the Auditor General or a representative of the Auditor General.
- 1.1.9.4 The making of an amendment or adjustment contrary to sub-regulation (1) and (2) is a breach of financial discipline as defined in sub regulation A.20(1).



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**Observation**

- 1.1.9.5 During the audit, we observed several transactions classified as reversals amounting to US\$ 37,493,195.81 and L\$ 1,910,968,903.27 that could not be traced to initial transactions because the details of the initial transactions intended to be adjusted were not comprehensively recorded in the description of the reversal transactions on the bank statements. As a result, we could not trace the initial transactions adjusted nor could we validate the authenticity of the reversal transactions. **See table 9 below and annexure 9A and 9B for details.**

**Table 9: Irregularities Associated with Reversals in the GRA**

<b>FISCAL YEAR</b>	<b>Reversal US\$</b>	<b>Reversal L\$</b>
2018/2019	11,481,011.54	1,611,237.33
2019/2020	11,601,903.22	1,297,482,425.61
2020/2021	7,162,581.92	556,174,274.76
SBY	3,298,900.83	12,114,181.45
2022	-	35,285,174.67
2023	2,828,599.87	5,494,693.90
2024	1,120,198.43	2,806,915.55
<b>Total</b>	<b>37,493,195.81</b>	<b>1,910,968,903.27</b>

**Risk**

- 1.1.9.6 Reversals which cannot be reconciled to the adjustment of previous transactions may impair effective review and reconciliations.
- 1.1.9.7 Reversals which cannot be reconciled to the adjustment of previous transactions may facilitate fraudulent financial reporting, misstatement of revenue and misappropriation of public funds.

**Recommendation**

- 1.1.9.8 Management should account for reversals posted to the general revenue accounts which could not be reconciled to the adjustment of previous transactions, comprehensively catalogued in annexure 9A and 9B as part of Management's response to this Management Letter.
- 1.1.9.9 Going forward, Management should ensure that all reversals posted to the general revenue accounts include detailed narratives cataloguing the dates, descriptions, values and approved unique identifiers of the previous transactions to facilitate reconciliation between the reversals and the previously posted incorrect transactions.
- 1.1.9.10 The Office of the Comptroller and Accountant General and the Liberia Revenue Authority should facilitate the performance of periodic (daily) bank reconciliation on all the transitory accounts and the general revenue accounts established for revenue collection. Discrepancies



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identified should be investigated and resolved where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.9.11 *Management acknowledges all reversal transactions captured in GAC report submitted and has validated and verified the corresponding credits and debits transactions. (please see excel spread reference P14\_1\_1\_4).*
- 1.1.9.12 *Furthermore, management have already requested detailed explanation of all reversal transactions from the Central Bank of Liberia. It is important to note that some reversals occurred particularly at the end of the fiscal period, when old revenue balances are carried into the new revenue accounts.*
- 1.1.9.13 *These amounts are swept back to provide a clear and accurate picture of revenue collected during a specific period. Additionally, many of these reversals are linked to ASYCUDA transactions, where payments are made in both USD and LRD but the recording is only captured in USD amount in the Tax Administration System (TAS).*
- 1.1.9.14 *To correctly reflect these mix currency payments, the CBL debits the USD general revenue Account for the LRD equivalent and credit the LRD to the general revenue account which may appear as a reversal. Another reversal that may appear on the GRA are as the result of routine posting or transposition correction during reconciliation.*
- 1.1.9.15 *The GAC is encouraged to send a third-party confirmation to CBL regarding the detail explanation for the reversals Note: The reported US\$6.5 billion reversal in 2022 was as the result of error posting from the revenue accounts to the operation accounts. The error occurred from transposition. The actual figure was to be recorded as US\$6,521,615.72 but recorded as US\$6,521,615,072.00. (Please see excel spread P14\_1\_1\_4*

**Auditor General's Position**

- 1.1.9.16 Management's assertions did not adequately address the issues raised. Management did not account for reversals posted to the general revenue accounts which could not be reconciled to the adjustment of previous transactions, comprehensively catalogued in annexure 9A and 9B as requested. Management also did not provide a reconciliation report detailing the initial transactions for which the reversals were intended to correct/adjust. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.10 Untimely Remittances of Revenue from the Transitory Accounts to the GRA**

**Criteria**

- 1.1.10.1 Regulation R.1 of the Public Financial Management Act of 2009, Amended and Restated in



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2019 states “the Central Bank of Liberia shall be the sole custodian of public funds of Liberia both in and outside the country and may, by notice published in the Gazette, in consultation with the Minister, authorize any bank to act as a custodian of any such moneys as may be specified in the notice”.

1.1.10.2 Section 1 (P ii.2) of the MOU between CBL/LRA and the commercial banks states “all commercial banks shall make transfer of fund to the General Revenue Account at the CBL via the Real Time Gross Settlement system (RTGS) within 24 hours on work days of payment into the transitory account but not later than 5pm on transfer day of the next day after the transfer”.

**Observation**

1.1.10.3 During the audit, we observed that funds were not remitted in a timely manner from the transitory bank accounts domiciled at commercial banks to the general revenue accounts consistent with the terms and conditions of the MOUs for the fiscal periods July 1, 2018 to December 31, 2024. None of the commercial banks consistently met the 24-hour remittance deadline. The average remittance time ranged from 3 to 24 days. **See table 10 and annexure 10 for details.**

**Table 10: Untimely Remittances of Revenue from the Transitory Accounts to the GRA**

<b>Timing of Remittances from Transitory Accounts to GRA (USD &amp; LRD)</b>		
<b>No.</b>	<b>Bank Name</b>	<b>Timing of Remittances (Average days)</b>
1	Ecobank	24
2	Global/Bloom Bank	21
3	UBA	10
4	International Bank Liberia Limited	9
5	SIBLL	8
6	Afriland First Bank	8
7	Guaranty Trust Bank (GT)	8
8	LBDI	4
9	Access Bank	3

**Risk**

1.1.10.4 Delayed remittances may impair the achievement of revenue targets for the Liberia Revenue Authority, and potentially affect government revenue collection and budget execution.

1.1.10.5 The commercial banks may be non-compliant with the terms and conditions of the MOUs. This may lead to breach of contract, misappropriation of revenue and loss of public trust in the banking systems. Persistent delays could erode public trust in both the banks and the revenue authority’s ability to manage tax collections effectively.

1.1.10.6 Prolonged delays increase the risk of errors, misappropriation, or loss of funds during the remittance process.



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**Recommendations**

- 1.1.10.7 Management should engage with the commercial banks to reinforce the 24-hour remittance requirement and establish clear penalties for non-compliance. Gaps identified should be investigated and resolved in a timely manner. Commercial banks observed to be in persistent non-compliance with the MOU should lead to termination of the contract.
- 1.1.10.8 There should be daily sweeps of all the monies in the transitory accounts to the consolidated fund account and there should be no other debits (withdrawals) except for bank charges to ensure that monies in the transitory accounts are not used for unintended purposes.
- 1.1.10.9 Management should facilitate daily automated reconciliation among the TAS, Transitory (Revenue) Accounts at commercial banks, GRA and the created Revenue module in IFMIS. 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.
- 1.1.10.10 Banks should review and optimize their internal processes to ensure timely remittance, including staff training and automation where applicable.

**Management's Response**

- 1.1.10.11 *Management acknowledges the observation. Management wishes to note that the new MOU governing commercial banks involved with revenue collection will take effect in FY 2026 and onward. This will fully address the issue of untimely sweep to the GRA. (please see draft MOU ref. P27\_1\_1 11).*

**Auditor General's Position**

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

**1.1.11 Irregularities Associated with the Collection of Revenue at Rural Customs and Tax Collectorates**

**Criteria**

- 1.1.11.1 Section 36(1) of the Public Financial Management (PFM) Act of 2009 as Amended and Restated 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**

- 1.1.11.2 During the audit, we observed the following irregularities associated with the collection of revenue at rural customs and tax collectorates:



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- No evidence of expansion, installation, and operationalization of ASYCUDA and LITAS automated revenue reporting software at rural collectorates to facilitate comprehensive, real-time and accurate recording of revenue generated/collected.
- Bills were manually raised for subsequent payment of taxes.
- Taxes were paid in cash and cash payments from various tax payers were maintained by tax collectors for protracted periods.
- Cash payments collected from tax payers were subsequently deposited in bulk as a single transaction.
- Various bills and payments of taxes were subsequently reported as bulk transactions in the ASYCUDA and LITAS.
- No evidence of reconciliation among bills manually raised, cash collected, cash subsequently deposited and bills and payments recorded in the ASYCUDA and LITAS where applicable.

**Risk**

- 1.1.11.3 In the absence of automated and real-time revenue reporting, revenue may not be comprehensively recorded and collected. This may lead to under collection of the required GoL revenue.
- 1.1.11.4 Revenue collected in cash and maintained for protracted periods may be susceptible to theft, misapplication and misappropriation. This may lead to misappropriation of public funds.
- 1.1.11.5 Bulk recording of bills and payments of tax collections may impair effective review and reconciliation of revenue transactions.
- 1.1.11.6 The completeness, occurrence and accuracy of revenue may not be assured. Management may not account for all of its revenue transactions.
- 1.1.11.7 Data security, integrity, completeness and accuracy of revenue records may be impaired.

**Recommendation**

- 1.1.11.8 Going forward, Management should facilitate the expansion, installation, and operationalization of ASYCUDA and LITAS automated revenue reporting software at all rural collectorates to facilitate comprehensive, real-time and accurate recording of revenue generated/collected.
- 1.1.11.9 Management should liaise with the commercial banking institutions to facilitate the construction of banking hubs at all rural collectorates to facilitate real-time deposit of tax collections.
- 1.1.11.10 Management should perform periodic (weekly) reconciliation among bills and payments at rural collectorates. Variances identified should be investigated and adjusted where applicable



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in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

### **Management's Response**

*1.1.11.11 Management acknowledges the finding presented in your report, particularly the issues relating to manual billing, cash-based tax collections, bulk deposits, and the absence of real-time reconciliation due to limited automation capacities in those locations.*

*1.1.11.12 In response, we wish to inform you that the Liberia Revenue Authority has prioritized and significantly expanded the deployment of ASYCUDA and LITAS during 2025. This expansion covers all customs business offices and tax business offices referenced in your audit report. The deployment includes:*

- *Installation of the required infrastructure;*
- *Full operationalization of ASYCUDA and LITAS for automated billing and real-time revenue reporting;*
- *Reduction of manual processes and cash handling; and*
- *Strengthening of reconciliation procedures between bills raised, collections made, deposits, and reporting in the system*

*1.1.11.13 These measures are intended to address the gaps identified and ensure improved accuracy, transparency, and accountability in revenue administration at rural collection points.*

### **Auditor General's Position**

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

## **1.1.12 Irregularities Associated with Receipt and Tax Identification Numbers in ASYCUDA**

### **Criteria**

1.1.12.1 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**

1.1.12.2 During the audit, we observed the following irregularities associated with receipt numbers and TIN in the ASYCUDA:

- There were several duplicated receipt numbers for different transactions in the system. **See table 11A and annexure 11A for details.**
- Some transactions in the system did not have receipt numbers. **See table 11B and**



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**annexure 11B for details.**

- Some payments were recorded without TIN but Receipt Numbers. **See table 11C and annexure 11C for details.**
- Some payments were recorded with the same receipt number but for different taxpayers. **See table 11D and annexure 11D for details.**
- Some Payments were recorded with the same TIN but different taxpayers. **See table 11E and annexure 11E for details.**

**Table 11A: Duplicated Receipt Numbers for Different Transactions in ASYCUDA**

Fiscal Year	Amount US\$
FY 2018-2019	83,088,180.21
FY 2019-2020	96,201,697.88
FY 2020-2021	104,383,101.63
SBY 2021	67,909,893.82
FY 2022	157,361,723.98
FY 2023	182,407,543.30
FY 2024	267,562,497.76
<b>Total</b>	<b>958,914,638.58</b>

**Table 11B: Transactions in ASYCUDA without Receipt Numbers**

Fiscal Year	Amount US\$
FY 2018-2019	63,727,085.33
FY 2019-2020	83,906,091.23
FY 2020-2021	94,201,712.82
SBY 2021	65,378,994.20
FY 2022	142,840,954.67
FY 2023	172,952,850.43
FY 2024	210,816,872.74
<b>Grand Total</b>	<b>833,824,561.42</b>

**Table 11C: Payments without TIN But Receipt Numbers**

No TIN But Receipt Numbers	
Fiscal Year	Receipt Amount
2018/2019	838,222
2019/2020	659,929
2020/2021	497,288
SBY	179,842
2022	264,386
2023	281,668
2024	344,719
<b>Total</b>	<b>3,066,054</b>



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**Table 13D: Same Receipt Number Different Taxpayers**

Same Receipt Number Different Taxpayers	
Fiscal Year	Receipt Amount
2018/2019	52,497,403
2019/2020	67,666,941
2020/2021	70,906,475
SBY	34,603,041
2022	83,929,974
2023	68,495,236
2024	76,197,339
<b>Total</b>	<b>454,296,409</b>

**Table 13E: Payments with Same TIN Different Taxpayers**

SAME TIN DIFFERENT TAXPAYERS	
Fiscal Year	Receipt Amount US\$
2018/2019	115,214
2019/2020	132,311
2020/2021	180,506
SBY	45,691
2022	93,647
2023	72,151
2024	122,398
<b>Total</b>	<b>761,918</b>

**Risk**

- 1.1.12.3 Payments for bills raised in the system may not be identified leading to under collection of revenue and misappropriation of public funds.
- 1.1.12.4 Lack of receipt numbers and/or duplicated receipt numbers, and inappropriate receipts and tax identification numbers may impair effective review and reconciliation of revenue transactions leading to misappropriation of public funds.

**Recommendation**

- 1.1.12.5 Management should provide substantive justification for the discrepancies associated with receipts and TIN numbers comprehensively catalogued in our findings above, as part of Management's response to this Management Letter.
- 1.1.12.6 Going forward, the system should be configured to alert users through a prompt for duplication of TIN and receipt numbers at the data input stage. The system should also be configured to reject all duplication of bills numbers, receipts numbers and other transactional unique identifiers. All bills for duty transactions raised in the system should be accompanied by a unique receipt number to ascertain the existence of payment of bills and to facilitate adequate review and reconciliation of revenue transactions.



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1.1.12.7 Management should conduct routine data integrity checks and perform periodic systems updates. Discrepancies identified should be investigated and resolved where applicable in a timely manner.

**Management's Response**

1.1.12.8 *Duplicate Receipt Number for Different Transaction: ASYCUDA is built such that each customs office has its own sequence of receipt number. Also, each Custom office receipt series begins at 1 at the beginning of every year. So, it is likely to have same receipt number for different transaction at two distinct Customs office. For example, Receipt Number 2018R10 which is listed as duplicate in Annexure 11A is receipt number for payment made by SEVENTH DAYS ADVENTIST CHURCH at RIA Customs Office. Same Receipt number is generated by the system for payment made by SUPPLYING WEST AFRICA TRADERS INC at Freeport Custom Office. See 2018R10-SWAT and 2018R10-SDA in attachment which are copies of ASYCUDA receipt for the respective transaction. To determine a unique reference of a payment transaction in ASYCUDA, the reference should be a composite of year, custom office and receipt number. The Auditor missed this point and as result he arrived at a finding about same receipt number with different amount.*

1.1.12.9 *Some payments were recorded without TIN but Receipt Numbers: The payments in Annexure 11C which the Auditor flagged as payments with receipts but without Tax Identification Number are SDI and SDC Declarations. These are simplified declaration to allow processing of migrant traders import and export through customs borders other than Freeport and LPRC. This measure is part of the LRA and World Customs Organization Trade Facilitation initiative especially where a taxpayer cannot obtain a TIN at this border entry before clearance of goods. For example, Receipt 2024R95 was processed at Yekepa Customs Entry (See file SDC SAD1 and SDC RECEIPT1 in attachment).*

**Auditor General's Position**

1.1.12.10 Management's assertions that "To determine a unique reference of a payment transaction in ASYCUDA, the reference should be a composite of year, custom office and receipt number. The Auditor missed this point and as result he arrived at a finding about same receipt number with different amount" did not adequately address the issues raised. Reconciling individual payment transactions by verifying the year, custom office and receipt numbers simultaneously impairs efficient and effective review and reconciliation. Further, the custom office for ASYCUDA payment transactions is not recorded in the TAS. The TAS only records a receipt number which is duplicated for several transactions. **See extracts below.** Therefore, as recommended above, all bills for duty transactions raised in the system should be accompanied by a unique receipt number to ascertain the existence of payment of bills and to facilitate adequate review and reconciliation of revenue transactions.



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A	B	C	D	E	F	G	H	I	J	K	L	M	N	P
TAXPAYER	TIN	TAX COI	TAX KIND	PAY DAT	AMOUNT_US	AMOUNT	LF	BILL_N	BPS_N	RECEIPT_N	BEG PERIC	DESCRIPTION	RECEIPTA	
ROMAR PLUS B	500518102	115128	Customs penalties and fines	13/08/2018	-	-	0.00	000000	0000000	2018R10722	07/06/2011	Teller OneStop	201810722	
ROMAR PLUS B	500518102	115133	Excise tax on cosmetics (importe	13/08/2018	-	-	0.00	000000	0000000	2018R10722	01/12/2017	Teller OneStop	201810722	
ROMAR PLUS B	500518102	115114	ECOWAS trade levy	13/08/2018	3.75	3.75	0.00	000000	0000000	2018R10722	07/06/2011	Teller OneStop	201810722	
ROMAR PLUS B	500518102	115127	GST on imported goods (excluding	13/08/2018	86.61	86.61	0.00	000000	0000000	2018R10722	07/06/2011	Teller OneStop	201810722	
ROMAR PLUS B	500518102	115111	Import duties on goods other than	13/08/2018	112.48	112.48	0.00	000000	0000000	2018R10722	07/06/2011	Teller OneStop	201810722	

R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
OFFIC	TIN1	COMPANY	REF_NUMBI	ASSESSME	ASSESSMEI	RECEIPT_NUMBL	RECEIPT_DA	DECLA	ASSESSMEI	RECEIPT	RECEIPT_N	CODE1
LRFPR	500518102	ROMAR PLUS BUSINESS CENTERMECHLI C1605	A11085	01/08/2018	R10722		13/08/2018	2018	2440.88	2440.88	2018R10722	ASY2521
LRFPR	500798287	FRANKAI INC.FAIR GRANDGRAND BASSA P8904	A10887	28/07/2018	R10734		13/08/2018	2018	3835.68	3835.68	2018R10734	ASY2520
LRFPR	500579518	MASSA SONNI BUSINESS CENTERWATER P9591	A11090	07/08/2018	R11128		21/08/2018	2018	7918.42	7918.42	2018R11128	ASY3036
LRFPR	500822041	ALYNCE MOMOLUBROAD STREETMONR C1462	A10228	16/07/2018	R11155		21/08/2018	2018	2111.15	2111.15	2018R11155	ASY3031
LRFPR	500681920	ELMCO GROUP OF COMPANIES18TH STF P9860	A12011	13/08/2018	R11284		22/08/2018	2018	3884.77	3884.77	2018R11284	ASY3137

1.1.12.11 Management did not address queries relative to the following: some transactions in the system did not have receipt numbers and some payments were recorded with the same TIN but different taxpayers. Therefore, relative to these issues, we maintain our recommendations.

1.1.12.12 Management's assertions that "The payments in Annexure 11C which the Auditor flagged as payments with receipts but without Tax Identification Number are SDI and SDC Declarations. These are simplified declaration to allow processing of migrant traders import and export through customs borders other than Freeport and LPRC. This measure is part of the LRA and World Customs Organization Trade Facilitation initiative especially where a taxpayer cannot obtain a TIN at this border entry before clearance of goods. For example, receipt 2024R95 was processed at Yekepa Customs Entry (See file SDC SAD1 and SDC RECEIPT1 in attachment)" was not reflective of the nature of the transactions in table 11C and annexure 11C. Most of the transactions were processed through the Freeport of Monrovia, for business appearing to be legitimate businesses and for significant duty transactions. **See extracts below.** Further, we observed no evidence that the quoted framework is consistent with the revenue code of Liberia or approved by the National Legislature. Going forward, Management should ensure that the framework comprehensively catalogues the nature of businesses and transactions permissible within the simplified declaration. The framework should also be subsequently adopted within the Revenue Code and/or approved by the National Legislature before operationalization. Management should facilitate periodic review of transactions processed under the simplified declaration framework to ascertain full compliance.

A	B	C	D	E	F	G	H	I	J	K	L	M
OFFICE	TIN	COMPANY	REF_NUMBI	ASSESSMENT_NI	ASSESSMENT_DA	RECEIPT_NUMBI	RECEIPT_DATE	DECLARATION_REF_YEA	ASSESSED_AMOU	RECEIPT_AMOU	RECEIPT_NC	CODE
LRFPR		WITALH INTERNATIONAL E230	A11143	01/08/2018	R10057		03/08/2018	2018	2,750.00	2,750.00	2018R10057	ASY14
LRFPR		KRISHNA GLOBAL IMPED E231	A11263	02/08/2018	R10072		03/08/2018	2018	2,430.01	2,430.01	2018R10072	ASY18
LRFPR		RUK INTERNATIONAL SH E228	A11052	31/07/2018	R10219		04/08/2018	2018	96.77	96.77	2018R10219	ASY24
LRFPR		FELDA IFFCO TRADING E232	A11381	03/08/2018	R10244		06/08/2018	2018	174.56	174.56	2018R10244	ASY27
LRFPR		RACE INTERNATIONAL F E233	A11439	03/08/2018	R10319		06/08/2018	2018	7,087.51	7,087.51	2018R10319	ASY46
LRFPR		STAMCORP INTERNATIO E234	A11507	06/08/2018	R10383		07/08/2018	2018	7,087.51	7,087.51	2018R10383	ASY89
LRFPR		R1 INT'L (AMERCIAS) IN E235	A11551	06/08/2018	R10476		08/08/2018	2018	1,995.85	1,995.85	2018R10476	ASY132
LRFPR		MARGARET FINDA GBOI E238	A11629	07/08/2018	R10535		09/08/2018	2018	52.51	52.51	2018R10535	ASY136
LRFPR		C/O AGS FRASERS RWAI R115	A11956	13/08/2018	R10779		14/08/2018	2018	100.00	100.00	2018R10779	ASY204
LRFPR		SYARIKAT TENAGA (GEN E242	A12013	13/08/2018	R10836		15/08/2018	2018	4,961.26	4,961.26	2018R10836	ASY212
LRFPR		JACKSON BARNABAS KIFR112	A11885	10/08/2018	R10877		15/08/2018	2018	200.00	200.00	2018R10877	ASY24E
LRFPR		ALBRECHT & DILL TRADIE E236	A11591	06/08/2018	R10931		16/08/2018	2018	100.00	100.00	2018R10931	ASY25E
LRFPR		KATE FREIGHT AND TR E247	A12246	16/08/2018	R11010		17/08/2018	2018	100.00	100.00	2018R11010	ASY26C
LRFPR		STAMCORP INTERNATIO E249	A12262	16/08/2018	R11014		17/08/2018	2018	7,087.51	7,087.51	2018R11014	ASY26E
LRFPR		STAMCORP INTERNATIO E250	A12263	16/08/2018	R11017		17/08/2018	2018	7,087.51	7,087.51	2018R11017	ASY31E
LRFPR		CHEN SUFANG- NO.15, E241	A11720	08/08/2018	R11029		18/08/2018	2018	271.88	271.88	2018R11029	ASY44C
LRFPR		AFRICA WEST INDUSTRI E246	A12245	16/08/2018	R11039		18/08/2018	2018	3,644.25	3,644.25	2018R11039	ASY44C
LRFPR		SOCIETE CAMEROUNIAE254	A12518	20/08/2018	R11292		22/08/2018	2018	10,629.06	10,629.06	2018R11292	ASY55E
LRFPR		ALBRECHT & DILL TRADIE E253	A12504	20/08/2018	R11297		22/08/2018	2018	467.51	467.51	2018R11297	ASY63C
LRFPR		FIRESTONE NATURAL RL E256	A12569	21/08/2018	R11314		23/08/2018	2018	100.00	100.00	2018R11314	ASY69E
LRFPR		WHESTONE ENERGY AN E255	A12543	21/08/2018	R11396		25/08/2018	2018	3,346.88	3,346.88	2018R11396	ASY71E
LRFPR		ELAND INTERNATIONAL E245	A12244	16/08/2018	R11437		27/08/2018	2018	399.96	399.96	2018R11437	ASY75C
LRFPR		ATTI-ATTI COMMODITIE E257	A12806	28/08/2018	R11569		29/08/2018	2018	2,299.50	2,299.50	2018R11569	ASY78E



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**1.1.13 No Evidence of a Policy on Government Revenue Reconciliation Framework among the Sector entities (MFDP, LRA and CBL)**

**Criteria**

- 1.1.13.1 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**

- 1.1.13.2 During the audit, we observed no evidence of a policy framework on the Government revenue reconciliation processes relative to roles and responsibilities among the sector entities (MFDP, CBL and LRA).

**Risk**

- 1.1.13.3 In the absence of a policy framework clearly detailing sector entities (MFDP, CBL and LRA) roles and responsibilities relative to periodic revenue reporting and reconciliation may lead to inconsistencies and misstatements in revenue reporting. This may lead to under collection of revenue, fraudulent reporting and misappropriation of public funds.
- 1.1.13.4 Clearly defined roles and responsibilities, segregation of duties and checks and balances relative to revenue reporting and reconciliation may be impaired.

**Recommendation**

- 1.1.13.5 Management should develop, approve and operationalize policies and procedures to regulate activities over periodic revenue reconciliation among the sector entities (MFDP, CBL and LRA). The policy should include provisions for the required infrastructure needed to facilitate automated real-time revenue recording and reconciliation, the timing of preparation of periodic reconciliation reports, the format of the reconciliation templates/reports and the authorizing authorities of the periodic reconciliation reports at sectors entities.
- 1.1.13.6 Management should facilitate the establishment of a revenue/ cash receipt module in the IFMIS to adequately capture actual revenue received during the period. The created revenue module should be automatedly linked with the revenue automated system at the Liberia Revenue Authority (LRA) and the general revenue account to facilitate real time and accurate recording of revenue.
- 1.1.13.7 A daily automated reconciliation among the following platforms should be performed and documented to ascertain the completeness and accuracy of revenue:
- LRA’s revenue billing systems
  - The Transitory (Revenue) Accounts
  - The General Revenue Accounts at CBL
  - The created Revenue General Ledger &
  - The GoL Consolidated Funds Account Financial Statements



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1.1.13.8 Evidence of approved policy and periodic reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

1.1.13.9 *Acknowledged. Management agrees with the need for a standardized revenue reconciliation framework. Management wishes to clarify that a standardized Memorandum of Understanding (MoU) is currently in place, pending signatures from the Liberia Revenue Authority (LRA), Central Bank of Liberia (CBL), and Ministry of Finance and Development Planning (MFDP), to facilitate reconciliation of revenue figures. The MoU for tripartite reconciliation is expected to be signed before the end of FY2025.*

1.1.13.10 *This agreement outlines clear roles, responsibilities, and procedures for data sharing, variance resolution, daily monitoring of collections, and sweeping of funds from transitory accounts. Furthermore, provisions are in place to incorporate commercial banks as key stakeholders, ensuring their inclusion in the reconciliation process through updated service agreements and standardized reporting requirements. (please see draft copy P34\_1\_1\_16)*

**Auditor General's Position**

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

**1.1.14 Incomprehensive Recording of Transactions**

**Criteria**

1.1.14.1 Section 1 (P ii) of the MOU between CBL/LRA and the commercial banks state "all commercial banks shall maintain accurate records of all deposits and withdrawals from the transitory account in the LRA agreed format including the taxpayers TIN, tax kind, tax period, date and amount of each direct transfer.

**Observation**

1.1.14.2 During the audit, we observed that narratives for transactions recorded in the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts appeared incomprehensive. We observed no evidence of comprehensive and consistent recording of the name of the tax payers/tax identification numbers, the purpose of the tax payments, the tax kind and the period for tax payments.

1.1.14.3 Further, we observed no evidence of unique numerical identifiers for transactions posted to the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts.

**Risk**

1.1.14.4 Effective review and reconciliation of revenue transactions among the LRA reporting systems, IFMIS, and the transitory and general revenue accounts may be impaired.



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1.1.14.5 Transactions without adequate detailed descriptions or narratives may facilitate fraudulent transactions especially if the preparer intends to conceal the nature of transactions.

**Recommendation**

1.1.14.6 Management should facilitate internally, and liaise with its bankers to initiate the recording of detailed narratives for all transactions in the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts. The following details should be comprehensively and consistently recorded for all transactions where applicable: the name of the tax payers/tax identification numbers, the value of the transactions, the purpose of the tax payments, the tax kind and the period for tax payments.

1.1.14.7 Further, Management should develop a comprehensive coding system comprising of unique numerical identifiers for transactions posted to the LRA revenue reporting systems, IFMIS, and the transitory and general revenue accounts. The comprehensive coding system should be communicated to all parties (LRA, MFDP, CBL and the commercial banks) and subsequently utilized for recording of all transactions.

1.1.14.8 Management should facilitate routine training for staff on data entries posting and classification of transactions.

1.1.14.9 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the respective systems.

**Management's Response**

1.1.14.10 *Management acknowledges the Auditor's observation and will work with stakeholders to address this issue.*

1.1.14.11 *Regarding the reporting of inaccurate taxpayer information on the transitory account, LRA at the onset of the direct transfer payment system with commercial banks, provided a unique identifier including, TIN, TAX KIND, TAX PERIOD to the commercial banks to use when capturing transactions on the transitory accounts. However, the Banks complained that their systems were already formatted in a way could not accommodate all the information we provided.*

1.1.14.12 *They also intimated that the data space on their system for transaction could not accommodate all the characters provided. This situation will now be resolved in the new MOU that requires the banks to provide only the document number on the Tax payer's bill which has embedded in it the TIN, TAX KIND, TAX PERIOD and even the amount.*

**Auditor General's Position**

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



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**1.1.15 Irregularities Associated with the Management of the Transitory Accounts**

**Criteria**

- 1.1.15.1 Regulation H.9 (1) of the Public Financial Management Act of 2009, Amended and Restated in 2019 states "Where authorization has been granted by the Minister to open transitory accounts, heads of government agencies or their controllers shall ensure that cash balances on those accounts are immediately deposited to the main treasury account in the Central Bank. Notwithstanding the foregoing generality all public moneys deposited in transitory accounts shall be swept to the main treasury account on a daily basis. In exceptional circumstances, such as for diplomatic missions, as determined by Ministerial instruction, deposit shall be made once a month."
- 1.1.15.2 Regulation I.16 (5-7) of the Public Financial Management Act of 2009, Amended and Restated in 2019 states "The Comptroller-General shall not later than 30 days before the end of the financial year, inform heads of departments of the date of final closure of the accounts and heads of departments shall ensure that their own accounts are in agreement with the public accounts before the date of final closure. Closing the public accounts for any financial year shall conclude the accounting for that year and no further adjustment shall be made to them. Closure of the public accounts shall not debar any claim, proceedings or transactions arising from the closure and any transaction or adjustment arising from closed accounts shall be recorded in the public accounts of the year in which such transaction or adjustment is made".

**Observation**

- 1.1.15.3 During the audit, we observed the following irregularities associated with the management of the transitory accounts:
- Un-swept balances in the transitory accounts at commercial banks amounting to US\$898,563.12 and L\$60,767,609.75 as at January 1, 2024 and balances amounting to US\$574,765.61 and L\$58,978,088.48 as at December 31, 2024. **See table 12A and 12B below for details.**

**Table 12A: Revenue Balances in TRAs at Beginning and Close of Year**

Commercial Bank	Account number	Account name	Balance brought forward as at 01 January 2024 US\$	Closing balance as at 31 December 2024 US\$
UBA	53030030027366	Gol Motor Vehicle Registration Fees Transitory	58,290.66	66,170 .00
UBA	53030030012683	Direct Transfer Transitory A/C	383,469.00	173,807.00
UBA	53030060000056	Forest Sector Account	418,978.55	355,637.37
IB	121940919420302	Vehicle Registration Account A	45,392.2	97,588.70
Afriland	0201278601-46	Direct Transfer	(25)	(25)



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Commercial Bank	Account number	Account name	Balance brought forward as at 01 January 2024 US\$	Closing balance as at 31 December 2024 US\$
Afriland	0101278201-95	Direct Transfer	(7,542.29)	(52,242.46)
<b>Total</b>			<b>898,563.12</b>	<b>574,765.61</b>

**Table 12B: Revenue Balances in TRAs at Beginning and Close of Year**

Commercial Bank	Account number	Account name	Balance brought forward as at 01 January 2024 L\$	Closing balance as at 31 December 2024 L\$
UBA	53030030027373	Gol Motor Vehicle Registration Fees Transitory	3,148,066.25	1,721,731.72
UBA	53030030012690	Direct Transfer Transitory A/C	48,002,089.82	17,233,358.51
IB	121881031190201	LRA/MFDP/MOT/TBL/CBL Driver L	92,640.33	93,080.01
Ecobank	6101448301	Transitory account Customs 4	297,457.52	404,818.74
Ecobank	6101350121	MFDP/LRA/CBL/Direct Transfer	9,203,429.83	39,501,173.50
Access	424100683752	MFDP/LRA/CBL LD Direct Transfer	23,926.0	23,926
<b>Total</b>			<b>60,767,609.75</b>	<b>58,978,088.48</b>

- The transitory accounts were not closed as at December 31, 2024 and remain opened as at the end of the audit execution.

**Risk**

- 1.1.15.4 Management may be noncompliant with Regulation H.9 (1) and Regulation I.16 (5-7) of the Public Financial Management Act of 2009, Amended and Restated in 2019.
- 1.1.15.5 Funds un-swept and bank accounts retained beyond statutory periods may lead to misappropriation of public funds. Funds may not be made available to settle approved budgetary expenditures.
- 1.1.15.6 The completeness and accuracy of closing cash balance may not be assured. Therefore, the financial statements may be misstated. Management may not account for all of its cash transactions.

**Recommendation**

- 1.1.15.7 Going forward, Management should liaise with the commercial banks to facilitate



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comprehensive and timely remittance of all funds collected through the transitory accounts excluding approved bank charges to the general revenue accounts consistent with the approved memorandum of understanding and the regulations.

- 1.1.15.8 Management should ensure that all funds within the transitory accounts at the close of the fiscal year excluding approved bank charges are remitted to the general revenue accounts as required. Subsequently, the bank accounts should be closed consistent with the regulations.
- 1.1.15.9 Evidence of comprehensive and timely remittances of funds and closure of all transitory accounts including the bank statements should be adequately documented and filed to facilitate future review.

### **Management's Response**

*1.1.15.10 Management acknowledges the observation. The concern regarding the delay by commercial banks to timely sweep revenue collected to the General Revenue Account in keeping with the existing MOU has been raised by the LRA and MFDP over the years.*

*1.1.15.11 Currently, a revised MOU for all commercial banks transitory accounts is being finalized to fully address the delay in sweeping to the General Revenue Account at the CBL. To further strengthen the MOU a penalty of non-compliance has been enshrined, which takes effect as of January 2026.*

### **Auditor General's Position**

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

## **1.1.16 Bank and Mobile Money Statements not Provided for Audit Purposes**

### **Criteria**

- 1.1.16.1 Regulation A.3 of the PFM Act of 2009 as amended and restated 2019 states "(1) Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.
- 1.1.16.2 (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation. A.20.
- 1.1.16.3 (3) An officer responsible for keeping financial and accounting records in accordance with this regulation shall ensure that the necessary books and forms for the purpose, are provided



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and the non-availability of the books, and forms shall not relieve the officer from responsibility”.

1.1.16.4 Section 5.2 (a) of the General Auditing Commission Act of 2014 states, “The Auditor General, and the staff of the General Auditing Commission, shall have the right to full and unrestricted access to information from entities being audited within a reasonable period of time that is required to fulfil the responsibility of this Act. Staff of the audited entity shall provide the required information and explanations to the staff of the General Auditing Commission”.

**Observation**

1.1.16.5 During the audit, several banks and mobile money statements continuously requested were not made available for audit purposes. As a result, we were unable to ascertain the completeness existence and accuracy of revenue collected through these accounts. **See table 13 for details.**

**Table 13: Bank and Mobile Money Statements not Provided for Audit Purposes**

Bank Name	Account Title	Account Status	Account Numbers	CCY	Year
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	601010004229	USD	2023 & 2024
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	601010004230	LRD	2023 & 2024
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	00211003422664	LRD	2023 & 2024
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	001110034226557	USD	2023 & 2024
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	001110055805511	USD	2023 & 2024
Bloom Bank	GOL Revenue Direct Transfer/All Taxes	Current Account	0011105805522	LRD	2023 & 2024
Lonestar Communication Corporation	GOL Revenue Direct Transfer/All Taxes	Current	All taxes paid	LRD	2023 & 2024
Lonestar Communication Corporation	GOL Revenue Direct Transfer/All Taxes	Current	All taxes paid	USD	2023 & 2024
Orange Liberia Limited	GOL Revenue Direct Transfer/All Taxes	Current	All taxes paid	LRD	2023 & 2024
Orange Liberia Limited	GOL Revenue Direct Transfer/All Taxes	Current	All taxes paid	USD	2023 & 2024

**Risk**

1.1.16.6 Management may be non-compliant with Regulation A.3 of the PFM Act of 2009 as amended and restated 2019 and Section 5.2 (a) of the General Auditing Commission Act of 2014.



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1.1.16.7 Non-receipt of information requested for audit purposes may result into limitation of scope of the audit and impair the comprehensive conduct of the audit thereby impairing the evaluation of stewardship over the use of public resources, transparency and accountability.

**Recommendation**

1.1.16.8 Management should provide the bank and mobile money account statements not made available for audit purposes, catalogued in table 13 above, as part of Management's response to this Management Letter.

1.1.16.9 Going forward, Management should ensure that documents and information requested for audit purposes are provided in a timely manner.

**Management's Response**

*1.1.16.10 Acknowledged. However, mobile money statements are available for the period under review. Apparently, this may be an oversight or the GAC audit team did not request for the statements during the course of the audit. Also, the mobile money collections are remitted to the transitory accounts at UBA for onward transfer to the General Revenue Accounts at CBL.*

**Auditor General's Position**

1.1.16.11 Management's assertion did not adequately address the issues raised. Management did not provide the bank and mobile money account statements not made available for audit purposes, catalogued in table 13 above, as requested. For the purpose of performing the audit, all bank and mobile money statements were requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.17 Excess Bank Charges**

**Criteria**

1.1.17.1 Section 4.0 of the MOU with the commercial banks "Bank Charges, Costs and Fees" States" the Government of Liberia shall underwrite and be responsible for all costs and fees that may be charged by the commercial banks on the maintenance of the transitory Accounts. For the avoidance of doubt, the Government of Liberia agrees to pay and the Banks accept the amount of US\$30.00 (Thirty United States Dollars) as monthly maintenance and service (sms, and email alerts) charge for the Transitory Account. The Banks are expressly authorized to deduct their fees and charges as they shall become due from the total amount due for the LRA to be swept to the CBL via RTGS at the end of every month".

1.1.17.2 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".



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**Observation**

1.1.17.3 During the audit, we observed several instances of excess bank charges beyond the authorized US\$30.00 monthly charges to the transitory accounts non-compliant with the terms and conditions of the MOUs. **See table 14A & 14B below and annexure 14A & 14B for details.**

**Table 14A: Excess Bank Charges**

FISCAL YEAR	Charges US\$
2018/2019	2,161.92
2019/2020	20,173.55
2020/2021	2,815.61
SBY	1,454.35
2022	3,410.88
2023	10,434.17
2024	10,959.98
<b>TOTAL</b>	<b>51,410.46</b>

**Table 14B: Excess Bank Charges**

FISCAL YEAR	Charges L\$
2018/2019	132,941.20
2019/2020	202,284.49
2020/2021	186,324.26
SBY	96,854.15
2022	199,930.92
2023	439,697.38
2024	319,039.01
<b>TOTAL</b>	<b>1,577,071.41</b>

**Risk**

- 1.1.17.4 The commercial banks may be non-compliant with the terms and conditions of the MOUs.
- 1.1.17.5 Charging fees in excess of the approved MOUs may lead to loss of revenue and misappropriation of public funds.
- 1.1.17.6 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud.

**Recommendation**

- 1.1.17.7 Management should account for excess bank charges comprehensively cataloged in table 14A & 14B and annexure 14A and 14B, as part of Management's response to this Management Letter.
- 1.1.17.8 Management should ensure that monthly bank reconciliation reports are prepared for all



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mobile money accounts, transitory and general revenue bank accounts. Excess charges identified should be investigated and adjusted where applicable in a timely manner.

- 1.1.17.9 Evidence of monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.17.10 Management acknowledges the observation of excess bank charges though the MOU allows for the deduction of US\$30.00 as account maintenance fees. The Banks however, charge other fees that are related to other transactions type including NSF for returned checks, internet banking charges, SMS charges, call statement charges, RTGS transaction fees, commission on sweep, SOE and vendors management fees and others which they (commercial Banks) claim are all chargeable as per their business rules applied for all.*

- 1.1.17.11 Moreover, there are other transactions reflected in the excess bank charge sheet that are correction entries and sweep transactions. For example, a sweep transaction of US\$10,578.79 on Access Bank statement dated October 11, 2024 was captured in the excess bank charge table*

- 1.1.17.12 It is important to note that most of what is claimed as excess bank charges are actually the commercial banks' monthly maintenance or service charge.*

**Auditor General's Position**

- 1.1.17.13 We acknowledge Management's assertions. However, Management's assertions were not supported by the terms and conditions of the MOU. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.17.14 Going forward, Management should ensure that all legitimate bank charges to the transitory accounts are incorporated in the MOU for transparency and accountability purposes and to facilitate effective review and reconciliation.

