Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On the Compliance Audit of the Liberia Agriculture Commodity Regulatory Authority (LACRA)**

**For the Six Months Ended June 30th, 2025**

**December 2025**

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

**Republic of Liberia**

## TRANSMITTAL LETTER

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

We have undertaken a compliance Audit of the Liberia Agricultural Commodity Regulatory Authority (LACRA) for the six months ended June 30, 2025. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

The findings conveyed in this report were formally communicated to the authorities of the Liberia Agricultural Commodity Regulatory Authority (LACRA) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and incorporated in this report.

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

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

**Monrovia, Liberia**
May 2026

## Table of Contents

**Acronyms**

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

August 19, 2026

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

**COMPLIANCE AUDIT OF THE LIBERIA AGRICULTURAL COMMODITY REGULATORY AUTHORITY (LACRA) FOR THE SIX MONTHS ENDED JUNE 30, 2025**

**Adverse Conclusion**

The General Auditing Commission has concluded a compliance audit of the National Public Health Institute of Liberia (LACRA). The compliance audit has been conducted in compliance with relevant laws and regulations consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as in accordance with all relevant laws.

Based on the audit work performed, because of the significance of the non-compliance matters noted in the Basis for Conclusion paragraphs below, the subject matter is not in all material respect, in compliance with the Revenue Code of Liberia Act of 2011, Public Financial Management Act 2009 and its Regulation, Amendment and Restatement of the PFM Act 2009 (2019), Public Procurement and Concession Act of 2005, Amended and Restated 2010 and its Regulations, Civil Service Standing Order, Decent Work Act of 2015, Committee of Sponsoring Organizations of the Treadway Commission (COSO), and MOS Policies.

**Basis for Conclusion**

We identified the following issues which affect the operations of the the Liberia Agricultural Commodity Regulatory Authority (LACRA). These issues are categorized as follows:

## 1.1 Financial Reporting

- A total variance of US$$160,404.06 (US$$380,571.69 – US$220,167.63) exits between LACRA Financial Statements and MFDP's IFMIS General Ledger.

- Revenue (receipts) and expenditures recorded in the financial statements did not reconcile with supporting schedules and reports. Variances amounting to US$380,571.69 (US$1,608,621.69 – US$1,228,050.00) between the financial statements and supporting schedules/reports for revenue. Also for expenditure, a variance amounting to US$249,361.60 (US$723,624.23 – US$474,262.63) exists between the financial statements and supporting schedules/reports.

## 1.2 Human Resource Management

The following non-compliance issues are associated with the LACRA's Human Resource Management System:

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

- Management remitted US$2,475 (US$1,200 for April 2025 and US$1,275 for May 2025) of US$5,670.00 withheld from Contractors salaries as PIT into GOL Revenue Account.

- Management neither withheld nor remitted *Social Security contributions, amounting to US$5,670.00, to NASSCORP*

- Management neither initiated a performance evaluation system for staff nor conducted periodic performance evaluations during the period under review.

## 1.3 Cash Management

The following non-compliance issues are associated with the LACRA's Cash Management System:

- There is no evidence that Management prepared monthly bank reconciliation statements for the IFAD Project Account and the Liberian Dollars Operations Account.

- The cash balance reported in the Financial Statements did not reconcile with closing cash balances reported in the Bank Reconciliation Report as at June 30, 2025. A variance of US$125,467.25 exists between the reconciled closing cash balance reported in the bank reconciliation report and the cash balances reported in the financial statements for SIB USD Operations Account (Account No:1111203812901).

- The reconciliation as at June 30, 2025 for SIB USD Operations Account reported several cash collected but not deposited in the bank totaling US$127,965.00 that were observed to exceed six months. However, there is no evidence that the cash collected but not deposited in the bank was part of cash in-hand (cash domiciled at the entity).

## 1.4 Expenditure Management

The following non-compliance issues are associated with the LACRA's Expenditure Management System:

- Several procurements of goods amounting to US$220,800.63 were not supported with sufficient and appropriate supporting documentation such as invoices, delivery notes, job completion certificate, valid business registration and tax clearance etc.

- Management made several payments totaling US$46,834.00 to employees of the entity rather than making direct payments to service providers or their legally authorized representatives

## 1.5 Procurement Management

The following non-compliance issues are associated with the LACRA's Procurement Management System:

- Management procured several goods and services which were not included in the Approved Procurement Plan. Between January 1, to May 31, 2025, Management procured goods and services (from Internally Generated Revenue) amounting to US$136,662.00 prior to the preparation and submission of the annual procurement plan to PPCC.

- Management granted contracts to vendors for goods and services without evidence of competitive Bidding processes for the six months ended June 30, 2025. There was no evidence of Bid documents from unsuccessful bidders, bid opening minutes, bid adverts and notice to unsuccessful bidders for contracts totaling US$113,526.00.

- There is no evidence that Management withheld or remitted services tax (2% or 4% for procurement of goods and services (where applicable), 10% and 15% for service and consultancy of resident and non-resident respectively and 1% for petroleum products) for the purchase of goods and services.

## 1.6 Revenue Management

The following non-compliance issues are associated with the LACRA's Revenue Management System:

- No evidence of reconciliation between cash collected and cash subsequently deposited in the entity's accounts.

- No evidence of approved fees listing for the collection of internally generated revenue. Approved fees listing was also not display at visible location.

- No evidence of an automated billing system for the generation of invoices for internally generated revenue.

- Twenty-five (25) pieces of receipts for the six months ended June 30, 2025 were not accounted for in the Revenue Collection Reports. There were no evidence that these receipts were voided/ cancelled.

- Internally generated revenues recorded in the financial statements did not reconcile with the Bank Statements. We observed a variance of US$10,282.16 (US#1,228,050.00-

1,217,767.84) between the financial statements and the Bank Statements.

The above issues have a pervasive impact on the entity's compliance with relevant laws, regulations, or standards, causing material non-compliance and raising concerns about the entity's adherence to the required compliance framework.

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

**Monrovia, Liberia**
June 2026

## Background

The Compliance Audit of the Liberia Agricultural Commodity Regulatory Authority (LACRA) was commissioned under the Auditor General (AG) mandate as provided for under Section 2.1.3 of the GAC Act of 2014.

The Liberia Agriculture Commodity Regulatory Authority (LACRA) was established as a semi-autonomous agency of the Government and is under the general supervision and director of the Minister of Agriculture to replace the Liberian Produce Marketing Corporation (LPMC) as defined in Chapter 57 of the Executive Law of 1973 for the purposes of:

A. Product Quality Improvement and Traceability: The creation of a more efficient supply chain, which enables and stimulates the production and marketing of cocoa/coffee of high quality, which are traceable to Liberia, and by which the national integrity of the country is maintained from farm gate to market.

B. Regulatory and Control Framework: The establishment of a rigorous commodity trade licensing regime, considering cocoa and coffee analysis training for all licensed buying agents and exporters. Inspection and validation of storage conditions and other transactional procedures would also be considered.

C. Commodity Price Standardization: Setting realistic prices for agriculture commodities, particularly cocoa and coffee, based on world market variables, ensuring that Liberian farmers receive a better and fair share of the world market price.

D. International Connectivity: The sustainability of Liberia's membership with its regional and international partners, including the Inter-African Coffee Organization

## Management Personnel

The Liberia Agricultural Commodity Regulatory Authority (LACRA) has the following personnel who handled the administrative and financial affairs of the institution for the period under audit.

**Table: 1 Key Management Personnel of the LACRA**

| Name | Position | Tenure |
|---|---|---|
| **Board of Directors** | | |
| Hon Joseph George-Francis | | - Present |
| Hon. J. Alexander Nuetah | Board Member | - Present |
| Hon. Nathan T. Saah Sr. | Board Member | - Present |
| Atty. Ebenezer T. Suah | Board Member | - Present |
| Hon. Lorpu Kandakai | Board Member | - Present |
| Hon. Andrew G. Paygar Flangiah | Board Member | - Present |
| Hon. Christopher D. | Board Member | - Present |

| Name | Position | Tenure |
|---|---|---|
| Sankolo | | |
| **Senior Management Team** | | |
| Christopher D. Sankolo | Director General (Suspended) | |
| Chea Garley | Deputy General for Administration and Finance (Suspended) | |
| Alpha Gongolee | Deputy Director for Operation and Technical Services | - Present |
| Dan Torkawaon Saryee | Acting Director General | - Present |
| Adolphus Forkpa | Acting Deputy General for Administration and Finance | - Present |
| George Cooper | Financial Comptroller | - Present |
| Jackson K. Miller | Human Resource Director | - Present |
| Menson Brown | Procurement Director | - Present |

## Audit Objectives

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

## Subject Matter and Scope

Validation of the LACRA Operations with special emphasis on: (a) Expenditure for goods, services and personnel compensation; and (b) Internal Control Systems (Governance and operational structures) of the entity for the six months ended June 30, 2025.

## Audit Criteria

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

## Audit Methodology

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

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

Our audit also took cognizance of the requirements under the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014. Our audit approach included observation, inquiries, inspections, confirmation, and analytical procedures on areas we considered as high risk.

**Limitation of Responsibility**

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

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

# 1 DETAILED FINDINGS AND RECOMMENDATIONS

## 1.1 Governance

### 1.1.1 Irregularities Associated with the Board Directors

**Criteria**

1.1.1.1 The Organization for Economic Co-operation and Development (OECD) corporate governance principles requires that a board is set up to ensure that companies are effectively managed for the benefits of its shareholders. The OECD principles provide for leadership, effectiveness, accountability, remuneration, and relationship with shareholders as guidance for the operation of a board.

1.1.1.2 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

1.1.1.3 Part X, Section 290 (3 &4), Specific Provisions Related to State Owned Enterprises, of the PFM Act of 2009 amended and restated 2019 states: (3) Pursuant to Section 60 of the Act, the Bureau of State Enterprises shall provide Dividend Policy Guidelines to be approved by the sector minister. (4) The Bureau of State Enterprises shall monitor compliance with the Dividend Policy Guidelines by the Boards of Directors of State Owned Enterprises.

**Observation**

1.1.1.4 During the audit, we observed the following irregularities associated with the Board operations:

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

**Table 1: Irregularities Associated with the Board Directors**

| Date | Payee | Description | Voucher # | Check # | Amount US$ |
|---|---|---|---|---|---|
| **Board Remuneration Paid from January-June 2025** | | | | | |
| 6-Jan-25 | Josephine Francis | Board Fees | 297 | 104931 | 1,000.00 |
| 6-Jan-25 | Nathaniel T. Saah | Board Fees | 298 | 104932 | 750.00 |
| 25-Jan-25 | Josephine G. Francis | Board Fees | 313 | 104955 | 1,000.00 |
| 25-Jan-25 | Nathaniel T. Saah | Board Fees | 314 | 104956 | 750.00 |
| 7-Apr-25 | Josephine Francis | Board Fees | 407 | 105055 | 1,000.00 |
| 7-Apr-25 | Nathaniel T. Saah | Board Fees | 407 | 105055 | 750.00 |
| 6-May-25 | Josephine Francis | Board Fees | 445 | 105088 | 1,000.00 |
| 6-May-25 | Nathaniel T. Saah | Board Fees | 446 | 105089 | 750.00 |
| 6-Jun-25 | Josephine Francis | Board Fees | 481 | 105132 | 1,000.00 |
| 6-Jun-25 | Nathaniel T. Saah | Board Fees | 481 | 105133 | 750.00 |
| **Total for (January-June) 2025** | | | | | **8,750.00** |

**Risk**

1.1.1.5 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution's objectives.

1.1.1.6 Management may override institutional policies and procedures that may adversely impact the operations of the entity.

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

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

**Recommendation**

1.1.1.9 Management should liaise with the relevant authority of the Board to develop, approve and operationalize policies and procedures (by-laws) to regulate the activities of the Board. The policy should include provisions for the required number of Board members including statutory and non-statutory members, qualifications and experience of Board members (where applicable), tenure of office, roles and responsibilities of each statutory and non-statutory members, required committees including roles and responsibilities, required number of statutory meetings and provision for emergency meetings, approved board fees, sittings fees and other benefits (where applicable) and periodic roles and responsibilities of the Board of Directors.

1.1.1.10 The Chairman of the Board should liaise with the relevant authority at the Bureau of State-Owned Enterprises to develop, approve and operationalize policies and procedures to regulate the declaration and payment of dividends. The policy should include provisions for profits distribution to GOL and reinvestment into the entity; including pay-out ratios (percentage of earnings distributed), payment frequency (quarterly/annually), form of payment (direct budgetary support/ CSR project), and conditions for adjustment based on financial state of the entity.

1.1.1.11 Management should facilitate the conduct of periodic Board and Committees' meeting minutes. Board and Committees' meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.

1.1.1.12 The Board should also institute a platform for following-up on decision made at Board's meeting. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

1.1.1.13 Evidence of approved by-laws, dividend policy and all other relevant supporting records of the Board of Directors should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

1.1.1.14 *Management acknowledges the findings. However, the interim management confirms that drafting of Board By-laws has commenced and draft governance instruments are under review by the Board. Existing committees, including Budget & Finance and Legal Committees, are operational, while Audit, Nomination, and Remuneration Committees are being formalized through approved Terms of Reference. Management further confirms that procedures have commenced to regularize Board remuneration through formal Board resolutions. Internal Audit reporting protocols and governance documentation systems have also been instituted. Copies of draft By-laws, committee records, and sample Board minutes are available for audit verification.*

**Management's Response (Suspended Management)**

1.1.1.15 *Management acknowledges the findings and recommendations. However, the Board was established and met severally, at least four (4) times, during the period under audit, evidence by minutes, resolutions, and attendance. Also, the Board established a number of committees that included legal, finance, and dispute resolution committees in 2025.*

1.1.1.16 *With the recommendations provided, the Board will ensure that it remains fully functional and all aspects of its activities properly carried out, including reviewing, adopting, and approving relevant policies, procedures, and processes on oversight and the operations of the Entity (LACRA).*

1.1.1.17 *Attached are minutes, resolutions, and related evidence of the board meetings.*

**Auditor General's Position**

1.1.1.18 Management assertions were not supported by documentary evidence. Management did not provide evidence of the draft Board of Directors' By-Laws, the approved terms of reference for the Nomination and remuneration committees, and board meeting minutes of operationalized board sub-committees (Finance, Budget and Legal Committees) as asserted by Management.

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

### 1.1.2 No Evidence of Monitoring & Evaluation

**Criteria**

1.1.2.1 Regulation A.15 (1) of the PFM Act of 2009 as amended and restated 2019 states that "a head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless, and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal controls to mitigate these risks.

**Observation**

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

**Risk**

1.1.2.3 In the absence of effective monitoring and evaluation, project deliverables may not be achieved up to approved specifications and within approved timelines.

1.1.2.4 Value for money may not be achieved and projects resources may be subjected to misapplication and misappropriation.

1.1.2.5 Approved activities cataloged in the strategic and operational plans may not be achieved or achieved up to approved specifications and timelines.

**Recommendation**

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

1.1.2.9 Management assertions were not supported by documentary evidence. Management did not provide evidence of the draft M&E reporting templates, and quarterly performance reporting mechanisms as asserted by Management.

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

### 1.1.3 No Evidence of Strategic and Operational Plans

**Criteria**

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

1.1.3.2 Regulation D.22 entitled 'Budget Hearing' further states that: (1) "On receipt of estimates from ministries and agencies, the Minister shall cause to be conducted

budget hearings to review strategic plans and estimates of the government agencies concerned in order to ensure that these plans and estimates are in accordance with the Government's macroeconomic policy and fiscal framework. (2) Where necessary, the Minister may require a government ministry or agency to make adjustments to its strategic plans and estimates in order to fulfill the requirements of the Government's macro-economic policy and fiscal framework."

**Observation**

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

**Risk**

1.1.3.4 Long, medium and short-term goals of the entity may not be identified, pursued and implemented thereby impairing the achievement of the organization objectives.

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

**Recommendation**

1.1.3.6 Management should develop, approve and operationalize a strategic plan (for at least five years) cataloging long, medium and short-term goals, resources and strategies needed to achieve those goals and timelines for the implementation of goals cataloged therein. Subsequently, Management should develop, approve and operationalize annual operational plans to expedite the implementation of strategic goals on an annual basis.

1.1.3.7 The strategic and operational plans should be monitored and assessed on a periodic basis. Adjustments should be implemented where applicable.

1.1.3.8 Evidence of approved strategic and operational plans should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.1.3.10 *Management acknowledges the finding and recommendations. The draft strategic plan was completed in March 2025. However, it was not finalized, approved, and launched until the first quarter of 2026.*

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

**Auditor General's Position**

1.1.3.12 Management assertions were not supported by documentary evidence. Management did not provide evidence of the approved five-year Strategic Plan as asserted by Management.

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

### 1.1.4 No Evidence of Senior Management Meeting Minutes

**Criteria**

1.1.4.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

**Observation**

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

**Risk**

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

**Recommendation**

1.1.4.4 Management should facilitate the conduct of periodic Senior Management meetings. Senior Management meeting minutes should comprehensively detail activities

discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.

1.1.4.5 Management should also institute a platform for following-up on decision made at Senior Management meetings. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.1.4.7 *Management acknowledges the finding and recommendations. However, there were several senior management meetings held, evidence by minutes and attendance.*

1.1.4.8 *Attached are minutes from senior management meetings held.*

1.1.4.9 *Going forward, Management will improve on its records on senior management meetings held with proper filing (manual and electronic) of records, and institute a platform for following-up on decisions made at meetings.*

**Auditor General's Position**

1.1.4.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of senior management meeting minutes as asserted by Management.

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

### 1.1.5 No Evidence of Audit Committee

**Criteria**

1.1.5.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that "the head of government agency or government organization shall in consultation with the internal audit governance board establish and maintain an audit committee for the government agency or organization for which he/she is responsible."

1.1.5.2 Regulation K.11(1),(a) of the PFM Act of 2009 as amended and restated 2019 states that the Audit Committee of Government Agencies or Organizations shall review internal controls, including the scope of internal audit, internal audit Plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.

1.1.5.3 Regulation K.12. of the PFM Act of 2009 as amended and restated 2019 (1) Members of the Audit Committee shall be appointed by the Internal Audit Governance Board. (2) Membership of the Audit Committee shall consist of three or more persons as determined by the Internal Audit Governance Board, or any other enactment, each of whom shall satisfy independence, financial literacy and experience requirements and any other regulatory requirements. (3) The majority of the members of the Committee shall not be full-time employees of the government agency or organization and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing. (4) In the case of a Government Agency or state-owned enterprise, at least one person shall be from outside the public service. (5) At least one Committee member shall be a designated "audit committee financial expert" who shall be an accountant or auditor by profession or expert in the fields of accounting or auditing. (6) The Committee's Chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a Chairperson by vote of a majority of the full Committee. (7) The Committee may form and delegate authority to subcommittees when appropriate. (8) No committee member shall serve on the audit committees of more than three government agencies or organizations. (9) Committee members shall serve for a period of three years renewable for another period of three years only. (10) Committee members shall serve until their successors shall be duly elected and qualified. (11) Notwithstanding sub regulation 10, if a member ceases to be "independent", such person shall immediately resign as a Committee member.

**Observation**

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

**Risk**

1.1.5.5 Audit issues and lapses identified in the entity's internal control system may not be appropriately monitored and addressed due to the lack of audit committee.

1.1.5.6 Internal and external audit recommendations may not be monitored and implemented promptly.

**Recommendation**

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.1.6 No Evidence of Training and Development Plan

**Criteria**

1.1.6.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) states, that "commitment to competence includes the level of knowledge and skill needed to help ensure orderly, ethical, economical, efficient and effective performance, as well as a good understanding of individual responsibilities with respect to internal control".

1.1.6.2 The above can be evidenced by providing training, to raise the awareness of management and employees of the internal control objectives and, in particular, the objective of ethical operations, and helps them to understand the internal control objectives and to develop skills to handle ethical dilemmas.

**Observation**

1.1.6.3 During the audit, we observed no evidence that the draft staff training and development plan for 2025 was approved by the board of directors as required.

**Risk**

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

1.1.6.5 In the absence of an annual training plan, training may be conducted arbitrarily. This may impair the development plan and the required capacity of staff of the entity.

1.1.6.6 In the absence of periodic training/capacity-building initiatives, staff may not obtain the required capacity needed to achieve the objectives of the entity.

**Recommendation**

1.1.6.7 Management should develop, approve, and operationalize a comprehensive training plan that addresses the strategic capacity needs of the staff of the entity. The requisite training and capacity development plan for each unit should be identified and scheduled. The training plan should be approved by the Board of Directors.

1.1.6.8 Management should facilitate the execution of the training and development plan consistent with the approved schedule, monitor output from training for adjustments to future annual training and development plans.

1.1.6.9 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.1.6.11 *Management acknowledges the findings and recommendations. However, the Board approved the annual work plan and budget for 2025 which included training and capacity development for personnel. Moreover, several employees benefited from training programs at LIPA and GONET in 2025.*

1.1.6.12 *Going forward, Management will ensure that a separate training and development plan is developed and approved annually to drive training and capacity development for personnel.*

**Auditor General's Position**

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

## 1.1.7 The Use of Personal Email for Business Purpose

**Criteria**

1.1.7.1 Sections 6 of the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia provides: (6) for the use of domain name such as .gov.lr by all Ministries, Agencies and Commissions (MACs). This assures citizens, residents, businesses, the international community and other stakeholders that they are accessing an official Government of Liberia site. The policy ensures domain name and integrity of domains within in the .gov.lr domain space as well as adherence to the .gov.lr domain space by all MACs of government through the Ministry of Posts and Telecommunications. All MACs under the Government of the Republic of Liberia shall operate within the .gov.lr domain space. • The .gov.lr and all third level domain name (MAC.gov.lr) shall be managed by the Ministry of Posts and Telecommunications through the Chief Information Office. • All gov.lr domain names must only be used for the official business of the MACs. • All third level domain name (MAC.gov.lr) must be used specifically and exclusively for the stated purpose.

1.1.7.2 Further, Regulation A.14 {(1), 2 a & c), (3a) and (4)} of the PFM Act of 2009 as amended and restated 2019 state: "(1) All public sector computerized electronic records and systems shall be consistent with an approved integrated financial management automated system consistent with the (IT) Security Policy issued by the Minister. (2a) Each user of a computerized accounting, records, inventories, assets, human resource management, payroll or any similar system must be given a user identification number (User ID) and a password or personal identification number (PIN) by the system administrator. (2c) the system must be configured such that all passwords are encrypted to prevent any other person seeing the words. (3a) All computerized systems referred to in sub-regulation shall be configured such that, the audit trails, among other things, shall: (a) Show clearly the user ID, the time, the type of entry made on the system. And, (4) notwithstanding any provision in the Information Technology Policy of any government establishment, all system administrators shall ensure that users are limited to doing only assignments or tasks approved for them on the system".

**Observation**

1.1.7.3 During the audit, we observed no evidence that Management facilitated the use of

official email for the management and channeling of communications related to the entity. We observed that key personnel such as the Financial Comptroller, Procurement Director used their personal emails to conduct official business of the entity.

**Risk**

1.1.7.4 The use of personal email may lead to unauthorized access to sensitive or confidential information of the entity thereby impairing data privacy and security.

1.1.7.5 The use of personal email for managing and channeling communication may lead to permanent loss of business-related communication/email as the retrieval of lost emails from personal email accounts may be impaired.

1.1.7.6 Failure to ensure the use of official email, business communication/email records may not be monitored and retained for audits or legal purposes.

1.1.7.7 Management may be non-compliant with the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia.

**Recommendation**

1.1.7.8 Management should develop, approve and operationalize policies and procedures for the effective and efficient operations of the entity's official site for the management and channeling of communication/emails. The policy should comprehensively catalog the requirements for establishing and managing the site consistent with the National Policy on the Use of the Gov.Lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia as well as Regulation A.14 of the PFM Act of 2009 as amended and restated 2019.

1.1.7.9 Subsequently, Management should ensure that all email communications of the entity are facilitated through official email platforms to ensure data security and privacy are optimized.

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

**Management's Response (Interim Management)**

1.1.7.11 *"Management acknowledges the finding. However, the interim management has commenced corrective measures to strengthen official communication systems, including the use of institutional email accounts for official correspondence, improved*

*records retention procedures, and restrictions on the use of personal email for official transactions. Management has also coordinated with relevant government ICT authorities where necessary to ensure compliance with approved Government of Liberia domain and official communication requirements."*

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

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

## 1.2 Budget Management

### 1.2.1 No Evidence of a Functional Budget Committee

**Criteria**

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

**Observation**

1.2.1.2 During the audit, we observed no evidence of a functional budget committee.

**Risk**

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

1.2.1.4 Annual internal budget and periodic Budget Performance Reports may not be prepared adequately or in a timely manner.

1.2.1.5 Management may be non-compliant with Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019.

**Recommendation**

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

1.2.1.7 The budget committee should facilitate the revision and approval of the draft internal budget to ensure that projected revenue and expenditures are reflective of realistic estimates of planned activities of the entity. The committee should also facilitate the review of periodic budget performance reports. Gaps identified should be used to govern future revenue collection and disbursement activities.

1.2.1.8 Periodic budget performance reports should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.2.1.10 *Management acknowledges the finding and recommendations. We accept that the budget committee was not established in 2024 and it was due to the new management then setting up internal governance systems and processes as the Entity (LACRA) was literally not functional in all capacities. However, the committee was established in 2025 and became fully operational.*

1.2.1.11 *Please see attached minutes and related evidence of the activities of the budget committee.*

1.2.1.12 *Going forward, Management will continue to ensure that it maintains a functional budget committee to provide supervision of budget planning, execution, and reporting.*

**Auditor General's Position**

1.2.1.13 Management assertions were not supported by documentary evidence. Management did not provide evidence of Budget Committee Meetings minutes as asserted by Management.

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

### 1.2.2 No Evidence of a Budget Unit/Officer

**Criteria**

1.2.2.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

**Observation**

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

**Risk**

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

**Recommendation**

1.2.2.4 Going forward, Management should facilitate the immediate establishment of a Budget Unit, competitively hire/ internally recruit (where applicable) qualified and experienced budget officers/ accountants to manage the activities of the unit.

1.2.2.5 The Budget Unit upon establishment should facilitate real time recording of actual revenue and expenditure and prepare periodic (quarterly and annual) budget performance reports for onward submission to the relevant authorities as required. Evidence of periodic budget performance reports should be adequately documented and filed to facilitate future review.

1.2.2.6 The Budget Unit/Officer should perform periodic reconciliation among the financial statements, IFMIS ledger and the fiscal outturn reports. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.2.3 Irregularities Associated with Annual Internal Budgets

**Criteria**

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

**Observation**

1.2.3.2 During the audit, we observed the following irregularities with the preparation of annual internal budgets of the Entity:

- The annual internal budget for FY 2025 was approved on April 4, 2025; three months after the budget period commenced.
- Prior to the approval of the Budget for FY2025, Management made several payments amounting to US$305,320.

- Activities, receipts and expenditures of the IFAD-funded project were not catalogued in the internal budget for FY2025 as required.
- No evidence of annual spending plans for the approved internal budget for FY 2025.

**Risk**

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

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

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

**Recommendation**

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

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

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

**Auditor General's Position**

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

## 1.3 Financial Reporting

### 1.3.1 No Evidence of Approved Financial Manual

**Criteria**

1.3.1.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:

a) The duties to be performed by specified officers,
b) The accounts to be kept and returns to be submitted, and
***c)*** Such other instructions as may be required for the proper conduct of the financial matters of the Government agency***.***

1.3.1.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts."

**Observation**

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

**Risk**

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

**Recommendation**

1.3.1.5 Management should develop, approve and operationalize a comprehensive financial manual, outlining all accounting procedures, processes, systems and controls to be

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

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

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

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

### 1.3.2 No Automated Financial Management System/ Accounting Software

**Criteria**

1.3.2.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:

A. The duties to be performed by specified officers,

B. The accounts to be kept and returns to be submitted, and
C. Such other instructions as may be required for the proper conduct of the financial matters of the Government agency.

1.3.2.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts."

**Observation**

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

**Risk**

1.3.2.4 The completeness and accuracy of accounting transactions may not be assured. This may lead to misstatement of the financial statements of the entity.

1.3.2.5 Accounting data security, integrity, completeness and accuracy may be impaired.

1.3.2.6 Management may not account for all of its transactions.

**Recommendation**

1.3.2.7 Management should procure and operationalize a functional accounting software to facilitate complete, accurate and real-time recording of all financial transactions of the entity.

1.3.2.8 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

1.3.2.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.3.3 Inappropriate Financial Reporting Requirements

**Criteria**

1.3.3.1 Regulation X. 298-Books, Accounts and Audit, of the PFM Act of 2009 as amended and restated 2019 states:

(1) A State-owned enterprise shall keep proper books of accounts and proper records in manner approved by its board of directors.

(2) For the purpose of Section 59 of the Act, the financial statements of the State Owned Enterprise shall comprise

a) a balance sheet of the assets and liabilities of the corporation as at the end of the year;

b) a statement of revenue and expenditure of the corporation for the year;

c) the cash flow statement of the corporation for the year.

(3) The financial statements shall be prepared and transmitted to the Auditor-General, the Minister, the sector minister, and the Bureau of State Enterprises by the head of the enterprise.

(4) The accounts submitted under Section 59 of the Act and this regulation shall:

d) be prepared in accordance with International Financial Reporting Standards and in accordance with any instructions issued by the

Minister in consultation with the Auditor-General; and

e) state the basis of accounting used in preparation and identify significant departures from the principles and the reasons for the departure

1.3.3.2 The objective of International Financial Reporting Standards 1 (IFRS 1) – First-time Adoption of International Financial Reporting Standards is to ensure that an entity's first IFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high quality information that:

a) is transparent for users and comparable over all periods presented;
b) provides a suitable starting point for accounting in accordance with International Financial Reporting Standards (IFRSs); and can be generated at a cost that does not exceed the benefits.

**Observation**

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

**Risk**

1.3.3.4 Management may be non-compliant with Section 59(4A), Regulation I.11 and Regulation M9 (2, 3 of the PFM Act of 2009 as amended and restated 2019.

1.3.3.5 Fair presentation, full disclosure, understandability, comparability and reconciliation of the financial statements may be impaired.

**Recommendation**

1.3.3.6 Management should develop, approve and operationalize a plan to fully transition to IFRS as its financial reporting framework as mandated by the GoL and in accordance with the requirements of IFRS.

1.3.3.7 The approved transition should be fully operationalized within six (6) months after the issuance of the Auditor General's report to the National Legislature.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.3.3.9 *Management acknowledges the findings and recommendations. Indeed, the IPSAS Cash Basis was used in the preparation of the financial statements. Management recognizes this shortcoming in not applying the IFRS for financial reporting as required by the Government for SOEs, including the Entity (LACRA). This is due to the complexity of the IFRS and, at the time, the Entity (LACRA) lack of preparedness, understanding and training of staff members from its Finance Office to use the IFRS.*

1.3.3.10 *Going forward, Management will develop, approve, and operationalize a plan to fully transition from the IPSAS Cash Basis to the IFRS. Management will do its best to transition within the six-month period stipulated and train Finance staff in the use of the IFRS.*

**Auditor General's Position**

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

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

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

**Criteria**

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

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

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

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

**Observation**

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

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

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

**Risk**

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

**Recommendation**

1.3.4.5 Management should account for the variances among the IFMIS Ledgers, the Fiscal Outturn Reports and the Financial Statements on an annual basis, comprehensively catalogued in Table 2 above, as part of Management's response to this Management Letter.

1.3.4.6 Going forward, Management should conduct periodic (monthly) reconciliation among the IFMIS Ledgers, Fiscal Outturn Reports and the Financial Statements. Variances identified should be investigated and adjusted where applicable in the timely manner. Evidence of periodic reconciliation should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

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

**Auditor General's Position**

1.3.4.10 Management assertions did not adequately address the issues raised. Management did not account for the variances among the IFMIS Ledgers, the Fiscal Outturn Reports and the Financial Statements, comprehensively catalogued in Tables 2 above.

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

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

**Criteria**

1.3.5.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

**Observation**

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

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

| Description | Financial Statements (US$) A | Supporting Expenditure/ Receipts Reports (US$) B | Variance C=A-B |
|---|---|---|---|
| **Six Months Ended June 30, 2025** | | | |
| Authorized Allocation/Appropriation | 380,571.69 | - | 380,571.69 |
| Other Receipts | 1,228,050.00 | 1,228,050.00 | - |
| **Total Receipts** | **1,608,621.69** | **1,228,050.00** | **380,571.69** |
| **Payments** | | | |
| Compensation | 220,571.69 | 56,700.00 | 163,871.69 |
| Goods and Services | 502,452.54 | 339,562.63 | 162,889.91 |
| Purchase of Property, plant and Equipment | 600.00 | 78,000.00 | (77,400.00) |
| **Total Payments** | **723,624.23** | **474,262.63** | **249,361.60** |

**Risk**

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

1.3.5.4 Management may not account for all of its transactions.

**Recommendation**

1.3.5.5 Management should account for the variances identified between the supporting schedules (Receipts and Expenditure Reports) and the financial statements comprehensively catalogued in Table 3 above, as part of Management's response to this Management Letter.

1.3.5.6 Management should adjust the financial statements by the variances observed between the supporting schedules (Receipts and Expenditure Reports) and the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.

1.3.5.7 Going forward, an automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

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

**Auditor General's Position**

1.3.5.11 Management assertions did not adequately address the issues raised. Management did not account for the variances identified between the supporting schedules (Receipts and Expenditure Reports) and the financial statements comprehensively catalogued in Table 3 above.

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

### 1.3.6 No Book of Accounts (Ledgers & Trial Balance)

**Criteria**

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

**Observation**

1.3.6.2 During the audit, we observed that Management did not maintain books of accounts

and proper records such as cash book, detail ledgers, trial balance, etc. for budgetary allotment received from GOL, internal revenue generated, donors and expenditures incurred for the fiscal period under review.

**Risk**

1.3.6.3 Failure to maintain books of accounts and proper records for transactions conducted may impair accountability of resources and may lead to misappropriation of the entity's fund.

1.3.6.4 In the absence of book of accounts, the completeness and accuracy of the financial statements may not be assured. This may lead to misstatement of the financial statements.

**Recommendation**

1.3.6.5 Going forward, Management should ensure that detailed general ledgers and trial balance are prepared to support figures in the financial statements.

1.3.6.6 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.

1.3.6.7 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Subsequently, an automated linkage should be created between the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

1.3.6.10 *Management will provide the book of accounts used in the preparation of the financial statements.*

**Auditor General's Position**

1.3.6.11 Management's assertions were not supported by documentary evidence. Management did not provide book of accounts, detailed general ledgers and trial balance that were utilized in the preparation of the financial statements as asserted by Management.

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

### 1.3.7 Misclassification of Transactions in the Financial Statements

**Criteria**

1.3.7.1 Regulation D13(3) of the Public Financial Management Act of 2009 as amended and restated 2019 provides that accounting and reporting for the National Budget or the appropriations for the central government as well as that of all government agencies shall be according to the budget classification and the Chart of Accounts.

**Observation**

1.3.7.2 During the audit, we observed that several payments related to personnel expenses (contractor wages) amounting to US$56,700.00 for the six months ended June 30, 2025 were misclassified as supplies and consumables in the Statement of Receipts and Payments of the Financial statements.

**Risk**

1.3.7.3 Misclassification of transactions may result into improper reconciliation of budget vs. actual analysis.

1.3.7.4 Misclassification of expenditures may facilitate fraudulent financial reporting especially if the preparer of the financial statement intends to conceal over/under utilization of expenditures.

**Recommendation**

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

1.3.7.6 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created amongst the general ledger, the trial

balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

1.3.7.7 The Financial Comptroller should ensure that transactions related to expenditures are properly classified and consistent with the budget and the approved chart of accounts.

1.3.7.8 Going forward, Management should facilitate the creation of journal vouchers for all non-cash payment transactions posted. The journal voucher should comprehensively catalogue the details of the individual transactions from the bank statements. Management should facilitate segregation of duty over the preparation and approval of the journal vouchers, ensure that the journal vouchers are uniquely coded and appropriately reviewed and authorized. Evidence of authorized journal vouchers, and corresponding payment vouchers and bank statements should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

1.3.7.9 *Management acknowledges the finding. However, the management has initiated corrective measures including enhanced supervisory review of accounting entries, review of chart-of-account classifications, and strengthened verification procedures prior to financial statement preparation. Finance personnel are also being guided to apply standardized classification procedures consistent with applicable reporting frameworks.*

**Management Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.4 Personnel Management

### 1.4.1 No Evidence of Approved Human Resource Policies and Procedures

**Criteria**

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

**Observation**

1.4.1.2 During the audit, we observed no evidence of approved human resource policies and procedures to guide its human resource activities.

1.4.1.3 Further, we observed no evidence that Management had adopted the Civil Service Standing Order or the Decent Work Act (where applicable) to guide its human resources activities.

**Risk**

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

**Recommendation**

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

1.4.1.6 Alternatively, Management should adopt and operationalize the Civil Service Standing Order or the Decent Work Act (where applicable) to guide the human resource activities of the entity.

1.4.1.7 Evidence of approved policies and procedures or adoption of the Civil Service Standing Order/ Decent Work Act of 2015 (Where applicable) should be adequately documented and filed to facilitate future review.

1.4.1.8 Going forward, Management should perform periodic review to ensure consistency in the application of approved human resources policies and practices at the entity.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.4.2 No Automated Payroll Management System

**Criteria**

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

**Observation**

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

**Risk**

1.4.2.3 Data integrity, security and completeness and accuracy of payroll records may be impaired.

1.4.2.4 In the absence of a centralized payroll management system, the computation of taxes, other deductions and net salaries may be impaired.

1.4.2.5 Management may not account for all its payroll transactions.

**Recommendation**

1.4.2.6 Management should procure and operationalize a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.

1.4.2.7 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

1.4.2.8 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.4.3 Lack of Segregation of Duties in Payroll Management

**Criteria**

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

**Observations**

1.4.3.2 During the audit, we observed no evidence that monthly payroll originated from the Human Resource Unit and forwarded to the Finance Unit for processing.

1.4.3.3 Additionally, we observed no evidence that the payroll journals were subsequently submitted to heads of department/units to review and corroborate salaries to be disbursed to personnel of respective department/units.

1.4.3.4 Further, we observed no evidence that the Internal Audit Department performed post reconciliation among the net salary per the payroll journals, the debit instructions issued to the banks and the bank statements to corroborate that approved net salaries were reconciled to actual disbursements.

**Risk**

1.4.3.5 Lack of segregation of duties during the processing of the monthly payroll may impair checks and balances, thereby, leading to misappropriation of the entity's fund.

1.4.3.6 Inadequate review of the payroll may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

1.4.3.7 Approved adjustments to the payroll may not be implemented.

1.4.3.8 Unauthorized adjustments may be undetected leading to misappropriation of the entity's fund.

**Recommendation**

1.4.3.9 Management should facilitate segregation of duties and check and balances in the preparation of monthly payroll. All adjustments to the payroll should be cataloged by the Human Resource Department and submitted to the Finance Department for processing. Subsequently, the Finance Department should submit the adjusted payroll per department to the head of each department/units and the Human Resource Department for validation before submission to MFDP for processing (where applicable).

1.4.3.10 The Internal Audit Department should facilitate post reconciliation among the net salary per the payroll journals, the debit instructions issued to the banks and the bank statements to corroborate that approved net salaries were reconciled to actual disbursements on a monthly basis.

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.4.3.13 *Management acknowledges the findings and recommendations. Management has begun taking relevant steps to improve internal processes, including payroll management. The Human Resource Functions receives and reviews monthly payrolls, provides for relevant adjustments as applied, before sending to the Accounts/Finance Office for review and further processing. The Internal Audit Unit has been involved with the review of the monthly payrolls (employees and contractors) since January 2025.*

1.4.3.14 *The payroll management system is being improved upon and such issues raised will no longer exist going forward. The next audit that will be performed will show improvement made.*

**Auditor General's Position**

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

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

**Criteria**

1.4.4.1 Section 200 of the Revenue Code of Liberia 2000 as amended in 2011 requires that an annual income tax is hereby imposed on the annual taxable income of every natural person resident in Liberia (including resident Liberian citizens employed by an

embassy, a diplomatic mission, or international organization). The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.

1.4.4.2 Further, Section 905 (J) and (M) of the Revenue Code of Liberia Act of 2000 states that; "Within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".

**Observation**

1.4.4.3 During the audit we observed that Management only withheld and remitted a total of US$2,475 (US$1,200 for April 2025 and US$1,275 for May 2025) into GOL Revenue Account as PIT for the six months ended June 30th, 2025**. See Table 4 for details.**

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

| Description | Gross Wages (A) | Tax charge @10% (B) | Tax remitted (C) | Balance Outstanding D=B-C |
|---|---|---|---|---|
| Contractors' Wages June 2025 | 56,700.00 | 5,670.00 | 2,475.00 | 3,195.00 |

**Risk**

1.4.4.4 Failure to withhold and remit PIT may deny GoL of the much-needed tax revenue.

1.4.4.5 Management may be noncompliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.

1.4.4.6 Non-remittance of PIT may lead to an overstatement of the cash book and subsequently the financial statements.

**Recommendation**

1.4.4.7 Management should provide substantive justification for not withholding and remitting PIT comprehensively catalogued in Table 4 above, as part of Management's response to this Management Letter.

1.4.4.8 Going forward, Management should withhold PIT on all disbursement of remunerations and facilitate full remittance of PIT to the general revenue account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.

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

**Management's Response (Interim Management)**

1.4.4.10 *"Management acknowledges the finding. However, the interim management has commenced strengthening payment review procedures to ensure applicable withholding obligations are identified and processed prior to contractor payment approval. Management is also engaging relevant tax authorities where necessary regarding reconciliation and regularization of outstanding tax-related obligations."*

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.4.5 Non-remittance of NASSCORP's Contributions

**Criteria**

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

**Observation**

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

**Table 5: Non-remittance of NASSCORP's Contributions**

| Description | Gross Wages (A) | Social Security charge @ 10% (B) | Social Security remitted (C) | Balance Outstanding US$ D=B-C |
|---|---|---|---|---|
| Contractors' Wages June 2025 | 56,700.00 | 5,670.00 | - | 5,670.00 |

**Risk**

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

1.4.5.4 Potential retirees of GoL may be denied required pension benefits due to non-compliance with the Regulation.

1.4.5.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

1.4.5.6 Non-remittance of social security contributions may lead to misapplication / misappropriation of social security funds.

1.4.5.7 Miscomputation of the social security benefit may lead to misstatement of social security contributions and subsequently the financial statements.

**Recommendation**

1.4.5.8 Management should facilitate comprehensive and accurate computation of social security benefits by ensuring social security computations are derived on the basis of total earnings, as required by the Regulations.

1.4.5.9 A payment plan should be crafted and agreed between Management and NASSCORP Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan. Management should also ensure that future employers' contributions are adequately provided for in the approved budget on an annual basis (where applicable).

1.4.5.10 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.

1.4.5.11 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.

1.4.5.12 Going forward, monthly remittance of NASSCORP contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' NASSCORP accounts respectively.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

1.4.5.16 Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations in subsequent audit.

### 1.4.6 Non-adherence to Direct Deposit Payments for Contractors

**Criteria**

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

**Observation**

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

**Risk**

1.4.6.3 Management may be non-compliant with Regulation H. 8 (4) of the Public Financial Management Act of 2009 as amended and restated 2019.

1.4.6.4 The absence of establishing employees' bank /mobile money accounts may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

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

**Recommendation**

1.4.6.6 Management should facilitate all disbursement of salaries to contractors (fixed contract employees) through the direct deposit system to bank or mobile money accounts. The accounts should be opened in the name of the employee to validate the legitimacy of the transactions.

1.4.6.7 Evidence of periodic (monthly) bank/mobile money transfers should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.4.7 No Approved Job Description

**Criteria**

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

**Observation**

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

**Risk**

1.4.7.3 In the absence of an approved job description for staff, work may be performed on a discretionary basis.

1.4.7.4 Clearly defined task for employees may not be established. This may impair the level of service and productivity of staff and the measure of monitoring and evaluating staff performance.

**Recommendation**

1.4.7.5 Management should comprehensively catalog approved job descriptions for each personnel at all levels of the organization. The approved job description should be included in all employees' employment letter and made available to employees before commencement of service. A formal communication detailing approved job descriptions should be forwarded to all existing staff. The approved job description should be periodically adjusted to reflect the current operations of the entity.

1.4.7.6 Management should ensure that employees are familiarized with and capacitated to perform approved job descriptions. Management should facilitate the performance of periodic training to upgrade the capacity of staff to perform approved roles and responsibilities.

1.4.7.7 Evidence of approved job description, subsequent adjustments and periodic training of staff should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

1.4.7.8 *"Management acknowledges the finding. However, the interim management has*

*commenced review of staffing structures and preparation of formal job descriptions intended to clearly define roles, reporting lines, responsibilities, and performance expectations across departments."*

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.4.8 Irregularities Associated with Attendance Logs

**Criteria**

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

**Observation**

1.4.8.2 During the audit, we observed the following irregularities associated with the daily attendance logs of the entity:

- The attendance logs appeared not to be monitored as information (sign-in / sign-out periods, signature) required by the existing form was observed to be consistently unavailable. We observed several instances where employee logged in at the start of day but did not log out at the end of the work day.

- No evidence of periodic validation / spot check of the attendance logs to authenticate the validity of information recorded**.**

**Risk**

1.4.8.3 Failure to maintain and monitor comprehensive personnel attendance records may result to compensation of non-deserving employees. This practice may cultivate an inappropriate work culture at the entity and may subsequently impair the operations and performance of the entity.

1.4.8.4 The absence of comprehensive and accurate attendance logs to monitor staff on a daily basis may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

1.4.8.5 Attendance logs with inadequate columns may impair Management's ability to determine and keep appropriate records of employees' actual hours worked.

**Recommendation**

1.4.8.6 Management should ensure that all staff sign in the daily attendance records. The daily attendance sheet should include the following columns: name of employee, department, position, signatures and time for in and out periods.

1.4.8.7 Management should conduct periodic spot checks to ascertain the authenticity of the attendance records. The attendance records including spot checks records should be adequately documented and filed to facilitate future review.

1.4.8.8 Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work.

1.4.8.9 Subsequently, Management should ensure that staff attendance processes are fully automated to facilitate effective monitoring, data integrity and accurate record keeping.

1.4.8.10 Staff attendance records should also be utilized during the monthly processing of payroll. Delinquent staff should be penalized consistent with the approved human resource policy.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.4.9 No Employees Performance Appraisal

**Criteria**

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

**Observation**

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

**Risk**

1.4.9.3 The lack of periodic performance appraisal may lead to unnoticed and/or consistent poor performance by employees of the entity, thereby impairing the achievement of the entity's objectives.

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

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

**Recommendation**

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

1.4.9.7 Employees should be familiarized with performance goals and be given the opportunity to periodically evaluate themselves against set goals. Subsequently, performance managers/supervisors should evaluate the performance of assigned employees against set goals and update the employees about the result of the evaluation including areas of targeted development.

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

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

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.5 Cash Management

### 1.5.1 Irregularities Associated with Bank Reconciliation Reports

**Criteria**

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

**Observation**

1.5.1.2 During the audit, we observed the following irregularities associated with monthly bank reconciliation reports for the period under audit:

- No evidence of monthly bank reconciliation statements for the IFAD Project

Account and the Liberian Dollars Operations Account. **See Table 6A for details.**

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

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

- No evidence that the reconciliation reports were reviewed, and approved by the appropriate authorities. We observed no evidence of the names and dates of signing of the preparer, reviewer and, approver on the bank reconciliation reports as required.

- We observed variances amounting to US$(125,467.25) between the reconciled closing cash balances and the closing cash balances reported in the financial statements as at June 30, 2025. **See Table 6B for details.**

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

| Year (A) | Account Title (B) | Account Number (C) | Reported Balance in Financial Statements (US$) (D) | Reconciled Bank (US$) (E) | Variance (US$) F=D-E |
|---|---|---|---|---|---|
| June 30, 2025 | Operations/USD | 1111203812901 | 1,115,831.87 | 1,241,299.12 | (125,467.25) |

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

**Table 6C: Cash Collected but not Deposited**

| No | Cash Collection Period | Amount US$ |
|---|---|---|
| 1 | February & March, 2024 | 4,625.00 |
| 2 | May - August, 2024 | 11,300.00 |

| No | Cash Collection Period | Amount US$ |
|---|---|---|
| 3 | November & December, 2024 | 10,300.00 |
| 4 | January, 2025 | 31,040.00 |
| 5 | February, 2025 | 30,000.00 |
| 6 | March, 2025 | 2,500.00 |
| 7 | April, 2025 | 33,200.00 |
| 8 | June, 2025 | 5,000.00 |
| **Total as June 30, 2025** | | **127,965.00** |

**Risk**

1.5.1.3 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud.

1.5.1.4 Management may not fully account for all of its transactions.

1.5.1.5 The completeness and accuracy of the closing cash balance may not be assured; therefore, the financial statements may be misstated. Management may not account for all of its cash transactions.

1.5.1.6 Long outstanding cash collected but not deposited in the bank and not traced to cash in-hand may lead to misappropriation of public funds.

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

**Recommendation**

1.5.1.8 Management should account for cash collected and not deposited in the entity's bank accounts which could not be traced to cash in-hand comprehensively catalogued in Table 6C above, as part of Management's Response to this Management Letter.

1.5.1.9 Management should adjust the cashbook and financial statements to reflect the reconciled closing cash balance comprehensively catalogued in Table 6B above. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.

1.5.1.10 Going forward, Management should ensure that the closing cash balance is reflective of the reconciled cash balances to facilitate completeness, accuracy, fair presentation and full disclosure of the financial statements.

1.5.1.11 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated accounts established by the entity.

1.5.1.12 Bank Reconciliation reports should be prepared, reviewed and approved by personnel with the relevant qualifications, experience and seniority.

1.5.1.13 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Subsequently, an automated linkage should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

1.5.1.14 Management should facilitate the deposit of cash collected into designated accounts within at most 48 hours after the collections. Management should ensure that the facility used for storage of cash collected is protected by a metallic door and that cash should be maintained in a metallic safe. Management should also ensure that the facility is restricted to authorized persons at all times. Management should facilitate segregation of duties over the storage, processing and accounting of cash transactions.

1.5.1.15 Evidence of monthly bank reconciliation, deposit slips, cash books and general ledgers reports should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

1.5.1.16 *"Management acknowledges the finding. However, the interim management has instituted strengthened monthly bank reconciliation procedures requiring timely preparation, supervisory review, and resolution of identified variances. Additional controls have also been introduced to improve reconciliation documentation, approval processes, and retention of supporting records for audit verification."*

**Management's Response (Suspended Management)**

1.5.1.17 *Management acknowledges the findings and recommendations. The amounts of US$26,525.00 and US$127,965.00 were receipts from internally generated funds in 2024 and 2025 that were used in operations, recorded in the cash books & ledgers, and reported in the financial statements for the periods under review. We acknowledge the finding of not depositing receipts into designated bank accounts and this has been corrected.*

1.5.1.18 *The project bank account was inactive/ dormant in 2024 due to delay in signing project agreement and extending project activities for the IFAD project. The LRD operational bank account maintained at UBA was also dormant. Both accounts were reactivated in 2025.*

1.5.1.19 *Management has already put in place measures that ensure prompt deposits of all receipts into designated bank accounts. Daily recording of receipts and expenditures, and related financial transactions are done in the cashbooks and ledgers. Monthly bank reconciliation reports are prepared, signed, and filed for operational bank accounts.*

**Auditor General's Position**

1.5.1.20 Management assertions did not adequately address the issues raised. Management did not account for cash collected and not deposited in the entity's bank accounts which could not be traced to cash in-hand comprehensively catalogued in Table 6C above. Further, Management did not adjust the cashbook and financial statements to reflect the reconciled closing cash balance comprehensively catalogued in Table 6B above.

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

### 1.5.2 Irregularities Associated with Petty Cash

**Criteria**

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

1.5.2.2 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.

**Observation**

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

- Petty cash and near cash items (such as cheques, fuel coupons and calling cards etc) were not kept in a metallic safe and the facility was not

protected by a metalic door

- There was no restricted access to the facility in which the petty cash was kept.
- No evidence of approved petty cash policy

**Risk**

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

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

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

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

**Recommendation**

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

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

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.5.3 Non-Disclosure of Bank Accounts

**Criteria**

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

1.5.3.2 Additionally, Regulation C.8 (4) of the PFM Act of 2009 as amended and restated 2019 states: "A head of agency or spending unit shall: (a) manage and reconcile the bank accounts authorized for the Agency by the Minister".

**Observation**

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

**Table 7: Non-Disclosure of Bank Accounts**

| Period (A) | Bank (B) | Currency (C) | Account Title (D) | Account Number (E) | Ending Balance US$ (F) |
|---|---|---|---|---|---|
| June 2025 | SIB | US$ | IFAD Project/USD | 1111603812901 | 8,055.62 |

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

**Risk**

1.5.3.5 The non-disclosure of bank accounts in the entity's financial statements may facilitate misappropriation and/or fraud.

1.5.3.6 Fair presentation, full disclosure, understandability and reconciliation of the cash balances may not be assured. This may lead to misstatement of cash balances.

1.5.3.7 Management may not fully account for activities of the entity.

1.5.3.8 Cash and bank balances reported in the financial statements may be misstated.

**Recommendation**

1.5.3.9 Management should adjust the financial statements to include the undisclosed bank account balance(s) comprehensively catalogued in Table 7 above, in the closing cash balance reported in the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.

1.5.3.10 Going forward, Management should formally communicate with all banking institutions to disclose all the entity's bank accounts maintain by the banking institutions, the status of the bank accounts, signatories to the accounts and the bank statements for reasonable periods.

1.5.3.11 Subsequently, Management should review the bank statements for unusual transactions, investigate and resolve unusual transactions, authorize the immediate closure of all inactive bank/mobile money accounts and regularize the signatories to reflect the current senior management team.

1.5.3.12 Management should ensure that the closing cash balances reported in the financial statements are reflective of all bank accounts of the entity.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.5.3.14 *Management acknowledges and accepts the finding and recommendations. We have*

*taken steps to correct this with financial report and statements reporting and disclosing reconciled cash balances and bank accounts maintained at banks beginning in the quarter September 2025.*

1.5.3.15 *Management is doing its best to make the required adjustments, and reconcile & adjust cashbooks, ledgers, and financial report & statements for 2024 and 2025 (up to June). However, this will take time due to flood incident which caused damages to documents, desktop computers, and office equipment.*

**Auditor General's Position**

1.5.3.16 Management assertions did not adequately address the issues raised. Management did not adjust the financial statements to include the undisclosed bank account balance(s) comprehensively catalogued in Table 7 above, in the closing cash balance reported in the financial statements.

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

## 1.6 Procurement Management

### 1.6.1 Irregularities Associated with Procurement Management

**Criteria**

1.6.1.1 Section 26 (1&2), Procurement Committees, of the Public Procurement Act of 2010 states: (1) Every Procuring Entity must establish a Procurement Committee to which this Act applies. (2) A Procurement Committee shall consist of five (5) persons. The Head of the Procuring Entity or his or her deputy shall be chairperson of the Procurement Committee. The Head of the Procuring Entity shall appoint four other members of the Procurement Committee as follows:

a. Two other senior officials of the Entity one of whom shall be the head of finance for the Entity,
b. Subject to clause (c) below, such other qualified officials or employees of the Procuring Entity as are designated by the Head of the Entity and necessary to cause the Procurement Committee to have five (5) members.
c. When procurement matters relating to a specific end-user department are under consideration, one of the additional members appointed pursuant to clause (b), above, must be a representative of that end-user department.

1.6.1.2 Section 28 (1, 2, &3), Meetings of Procurement Committees, of the Public Procurement Act of 2010 states: (1) A Procurement Committee shall meet as and when required to review a bid or perform related functions but shall in any event

meet at least once every quarter. (2) A notice in respect of its quarterly meetings shall be given at least seven (7) days prior to the scheduled date of the meeting. (3)The quorum of a meeting of a Procurement Committee shall be at least four (4), comprising the chairperson or the acting head of the Entity who shall act as chairperson and at least three (3) other persons. The affirmative vote of at least a majority of the members present is required for the Committee to act.

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

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

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

a. A description of the object of the procurement;
b. A list of the participating bidders and the qualification criteria applied
c. Bid prices;
d. The bid evaluation criteria;
e. A summary of the evaluation of bids, if the bids were not evaluated solely on the basis of price;
f. A summary of any review proceedings and decisions thereon;
g. A summary of any requests for clarifications and responses thereto;
h. A statement of grounds for any cancellation of procurement proceedings pursuant to Section 36;

i. A statement of grounds for choice of a procurement method other than open competitive bidding or request for proposals for services;
j. The successful bidder and whether any terms were changed between Publication of the bidding documents and contract award;
k. Information concerning rejection of bids including identification of any bidder who was determined to be unqualified or whose bid was determined to be unresponsive to or not fully compliant with the relevant bidding documents; and
l. Such other information as may be required by the regulations made under this Act.

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

**Observation**

1.6.1.6 During the audit, we observe the following irregularities associated with the procurement system:

- No evidence of a board resolution/ management memorandum for the establishment of the procurement committee
- No evidence of functional procurement committee evidenced by the absence of meeting minutes and periodic reports.
- The FY2025 annual procurement plan for Internally Generated Funds was submitted to PPCC on June 6, 2025 two (2) months after the internal operational budget was approved and six months after the start of the fiscal year.
- There was no evidence of periodic (quarterly and annual) procurement activities reports submitted to PPCC for the period under review.

**Risk**

1.6.1.7 In the absence of a functional procurement committee, the entity's procurement processes may be discretional.

1.6.1.8 The lack of an approved procurement plan may lead to discretionary expenditure, waste and impair value for money.

1.6.1.9 In the absence of quarterly and annual procurement activities reports, Management may be non-compliant with the PPC Act of 2005 as amended and restated 2010.

1.6.1.10 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.

**Recommendation**

1.6.1.11 Management should establish a functional procurement committee evidenced by the documentation of meeting minutes and periodic reports.

1.6.1.12 Management should facilitate the approval of annual procurement plan by the PPCC. All unplanned procurement activities should be subsequently submitted to the PPCC for approval before execution.

1.6.1.13 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated 2010.

1.6.1.14 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.

1.6.1.15 Evidence of approved annual procurement plan, quarterly and annual procurement activities reports, and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.

1.6.1.16 Going forward, Management should facilitate adequate planning of procurement activities to ensure that competitive procurement processes are utilized to optimize value for money and the achievement of project's deliverables. The procurement plan should be prepared and approved before the commencement of the fiscal year to provide adequate timing for the conduct of more competitive procurement processes.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.6.1.18 *Management acknowledges the findings and recommendations. Management wants to place on record the operational context within which the Procurement Unit functioned during the periods under audit. The Management Team then took office in mid-2024 and inherited a Procurement Unit that had no functional filing cabinet and no dedicated archive room. However, there was an institutional procurement*

*committee structured. The procurement committee was restructured to include the new DG then ad head of the committee, and required membership, backed by documented meeting minutes/resolutions and attendance. However, quarterly activity reports were not submitted to the PPCC.*

1.6.1.19 *With respect to the Annual Procurement Plan, Management confirms that an approved FY 2024 Procurement Plan (GoL funding, covering Petroleum Products, Repairs and Maintenance of Office Buildings, and Vehicle Repairs and Maintenance Services) was prepared, approved, and submitted to the Public Procurement and Concessions Commission (PPCC), and is being re-submitted to the audit team as part of this response. The FY 2025 Internally Generated Funds (IGF) Procurement Plan was delayed because the FY 2025 internal budget was approved in April 2025; the plan was subsequently prepared and submitted to PPCC on June 6, 2025.*

1.6.1.20 *Management further wishes to bring to the attention of the GAC that a significant portion of the procurement committee minutes, attendance logs, and other documents could not be produced because they were physically destroyed during the floods that affected the LACRA Head Office at the Freeport of Monrovia in August 2024 and September 2025. Water remained on the ground floor for approximately two (2) days, directly destroying the Procurement Department's records (which at that time, were arranged on the floor because the department had no office cabinet), several desktop computers, laptops, printers, and the bulk of archived procurement files. The GAC field team was physically present at LACRA during the September 2025 flood and can attest to the flood. Management also refers the GAC to its report on the November 6, 2024 meeting held with the NPA, Maritime Authority, and the Ministry of Public Works (MPW) regarding the drainage and flood situation in the Freeport, which documents the long-standing flooding exposure of LACRA's Head Office and the collaborative remediation efforts initiated by Management.*

1.6.1.21 *Photographic evidence of the state of the Procurement Unit and of the documents being dried and reconstituted after the flood has been assembled and is available for the GAC's inspection. Video recordings of the same event are also available upon request.*

1.6.1.22 *Going forward, Management has taken the following corrective actions:*

- *Preparation and submission of the FY 2026 Annual Procurement Plan to PPCC before the start of the fiscal year.*
- *Preparation and submission of quarterly activity reports to PPCC as required under Section 43(9) of the PPCA.*

- *Procurement of a filing cabinet and relocation of the procurement archives to a safe place at Head Office to mitigate future flood exposure.*
- *Implementation of an electronic document management system so that all procurement records are scanned and stored off-site.*

1.6.1.23 *Evidence of Procurement Committee agendas, meeting minutes, approved procurement plans, PPCC submission acknowledgement, and quarterly reports are documented and filed.*

1.6.1.24 *Management has since improved on its internal document management system for filing all procurement records.*

**Auditor General's Position**

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

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

### 1.6.2 Irregularities Associated with Goods Procured

**Criteria**

1.6.2.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".

1.6.2.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d)

After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".

**THRESHOLDS FOR PROCUREMENT CONTRACTS**

| | Thresholds for use of request for quotations (RFQ) | National open competitive bidding (NCB) | Thresholds for use of restricted bidding | International open competitive bidding | Contracts for publication of planned sole source procurement |
|---|---|---|---|---|---|
| Contracts for the procurement of goods | US$10,000 | US$500,000 | US$50,000 | The Thresholds above which international open competitive bidding shall be used are the ceiling Thresholds for national open competitive bidding. | Publication prior to award is required under the first sentence of Section 56(2) for sole source contracts where the estimated price exceeds US$100,000. |
| In the case of contracts for the procurement of services | US$10,000 | US$200,000 | US$20,000 | | |
| Contracts for the procurement of works, | US$30,000 | US$1,000,000 | US$100,000 | | |

**Observation**

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

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

**Table 8B: Procurement outside the Procurement Plan**

| Vendor (s) Name | Description | Amount (US$) |
|---|---|---|
| Liberia Agriculture And Environment Journalist Network, Harper D.S Group Of Companies, Surveillance (Intelligence) | Public Service Announcement and media Awareness | 17,150.00 |

| Vendor (s) Name | Description | Amount (US$) |
|---|---|---|
| Office Ideas, OD Business Center, Victor Printing Service | Stationeries | 4,638.00 |
| Conex Liberia | Gasoline and Fuel | 23,649.00 |
| Favor Marketing Inc. | Communication (Scratch Cards) | 11,080.00 |
| Evergreen Auto Service | Generator Maintenance | 775.00 |
| Makassa D. Ononi Business Center | Office Equipment | 1,370.00 |
| United Motor Company | 23-Seater Buses for Employees | 78,000.00 |
| **Total** | | **136,662.00** |

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

**Table 8C: Non-competitive Procurements**

| Vendor Name | Description | Amount (US$) |
|---|---|---|
| **Six Months Ended June 30, 2025** | | |
| CONEX LIBERIA | Supply of fuel for generator and Vehicle | 25,526.00 |
| Land Star Engineering & Transport Services | Supply and installation of 100 KVA transformer | 10,000.00 |
| United Motor Company | 2 JMC Costar Bus (23-seater) | 78,000.00 |
| **Total for June 30, 2025** | | **113,526.00** |

**Risk**

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

**Recommendation**

1.6.2.5 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts. Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts. Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

1.6.2.6 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.

1.6.2.7 Management should also facilitate adequate planning of procurement activities to ensure that competitive procurement processes are utilized to optimize value for money and the achievement of project's deliverables. The procurement plan should be prepared and approved before the commencement of the fiscal year to provide adequate timing for the conduct of more competitive procurement processes.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.6.2.9 *Management provides the following substantive response to each of the irregularities observed:*

1.6.2.10 *(a) Procurement of two (2) vehicles totaling US$83,000 not in the FY 2024 Procurement Plan: The Land Cruiser SUV (US$43,500) was procured from CFAO as an urgent replacement for the IFAD project vehicle that was lost during the period. Given that the vehicle was a project asset tied to an ongoing IFAD engagement, replacement could not wait for the next procurement planning cycle. The Toyota Hilux cabin 4x4 (US$39,500) was procured to provide operational transport for the Deputy Director General for Operations and Technical Services (DDGOTS), whose role required frequent field travel to commodity inspection sites.*

1.6.2.11 *(b) Procurement of US$136,662 from Internally Generated Revenue (Jan – May 2025) prior to submission of the FY 2025 IGF Procurement Plan: As explained under Finding 1.6.1 above, the FY 2025 Internal Operational Budget was approved by the Board of Directors in April 2025. Between January and May 2025, Management was operating on essential service continuity (fuel for generators and vehicles, stationery items, public service announcements, scratch cards, generator maintenance and employee transportation) without which the Entity (LACRA) could not function.*

1.6.2.12 *(c) Non-competitive procurements in FY 2024 (US$220,000) and Jan – Jun 2025 (US$113,526): Management wishes to clarify that competitive processes (including*

*Restricted Bidding and National Competitive Bidding) were initiated for each of the contract packages listed in Table 8C. Bid-opening minutes, some bid adverts, and evaluation panel reports that were not tendered during the GAC field work were among the documents destroyed when water flooded the ground floor of the LACRA Head Office in August and September 2025. The bulk of the bid documents submitted to the GAC during the audit engagement were re-obtained from the PPCC and the MFDP archives; however, internal working files such as delivery notes, and credit invoices could not be recovered. As for notice to unsuccessful bidders, Section 38 of the PPCC ACT state (The Procuring Entity is required, upon request, to inform any unsuccessful bidder of the reasons why their bid was not successful.) During the period under review, there was no such request.*

1.6.2.13 *The GAC field team was physically present at LACRA at the time of the September 2025 flood and is a direct witness to the destruction. Photographic and video evidence is available for the GAC's independent review.*

1.6.2.14 *(d) US$150,000 payment to Road Aliment & Bright Bridges Trust, Inc. for renovation works – No evidence of Gbarnga renovation: Management strongly wishes to clarify the facts surrounding this payment. According to the approved FY 2024 Procurement Plan (GoL), Contract Package No. 2 – IFB No. LACRA/NCB/001/2024 – "Repairs and Maintenance Office Buildings" was budgeted at a total estimated cost of US$250,000. As catalogued in the Procurement Plan's Explanatory Notes (Item 6, IFB No. LACRA/NCB/004/2024), this package was intended to cover regular repair and maintenance services on LACRA office buildings, namely the Head Office in Monrovia, the Gbarnga estate and the Ganta estate.*

1.6.2.15 *However, of the total US$250,000 budgeted, only US$150,000 was actually released by the Ministry of Finance and Development Planning (MFDP) to LACRA. In view of this shortfall, Management made the administrative decision to prioritize the renovation of the LACRA Head Office at the Freeport of Monrovia. This decision is directly reflected in the contractual instruments executed with Road Aliment & Bright Bridges Trust Inc: the Memorandum of Understanding dated 1 November 2024 (attached) expressly refers to "the repair and maintenance of LACRA office buildings" under a credit facility with a ceiling of US$150,000, and does not state, contemplate, or commit the Gbarnga or Ganta estates. The Work Completion Certificate dated 30 November 2024 (Contract package number LACRA/SBA/NCB002/2024, attached) likewise certifies completion of the "repair and maintenance office building work for LACRA" performed at the Head Office only.*

1.6.2.16 *When the current Administration took over in 2024, only a few offices on the upper floor of the Head Office had been partially renovated; the entire ground floor was*

*neither renovated nor in active use. The US$150,000 paid to Road Aliment & Bright Bridges Trust Inc. was therefore applied exclusively to the rehabilitation of the LACRA Head Office, and the GAC's physical verification visit of the Gbarnga Regional Office in December 2025 correctly did not find renovation works because none were ever funded under the US$150,000 released. The absence of works at Gbarnga is therefore a direct consequence of the funding shortfall, and not a failure of contract performance.*

1.6.2.17 *(e) Additional US$14,244 paid from IGR for repairs at the Head Office (Table 8D) The payments catalogued in Table 8D are for discrete, unrelated works that fell outside the scope of the Road Aliment MOU: construction of a water reservoir (SOPE Company, US$5,124), subsequent minor repairs and making good of additional office spaces re-opened for use during the renovation of the ground floor (Success General Companies). These works were supported by individual invoices and receipts at the time of payment; the original files were physically destroyed in the August/September 2025 floods. Management is finding it difficult to obtain duplicate copies from the vendors. Going forward, Management will ensure that all procurement is strictly executed against the PPCC-approved Annual Procurement Plan; that BOQs and work plans are prepared, approved, and filed before any disbursement; and that MFDP Physical Audit Unit Inspection Reports are obtained and filed for each milestone payment on works contracts.*

1.6.2.18 *Management has since improved on its internal document management system for filing all procurement records.*

**Auditor General's Position**

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

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

## 1.7 Expenditure Management

### 1.7.1 Payments without Evidence of Adequate Supporting Documents

**Criteria**

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

**Observation**

1.7.1.2 During the audit, we observed no evidence of adequate supporting documents such as; invoices, delivery notes, job completion certificate, valid business registration and tax clearance etc. for various expenditures amounting to US$220,800.63 for six months ended June 30, 2025. **See Annexure 1 for details.**

**Risk**

1.7.1.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.

1.7.1.4 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.

1.7.1.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

1.7.1.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

**Recommendation**

1.7.1.7 Management should fully account for expenditure made without adequate supporting documents comprehensively catalogued in Annexure 1, as part of Management's response to this Management Letter.

1.7.1.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

1.7.1.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

1.7.1.12 Management assertions did not adequately address the issues raised. Management did not account for expenditure made without adequate supporting documents comprehensively catalogued in Annexure 1.

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

### 1.7.2 Third-Party Payments made to Employee of the Entity

**Criteria**

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

**Observation**

1.7.2.2 During the audit, we observed that Management made several payments to employees of the entity rather than making direct payments to service providers or their legally authorized representatives for the periods under review. **See Annexure 2 for details:**

**Risk**

1.7.2.3 Paying cash to employee for subsequent disbursement to vendors may facilitate misappropriation of funds.

1.7.2.4 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

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

**Recommendation**

1.7.2.6 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.

1.7.2.7 All payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative.

1.7.2.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations. Further, all third-party checks should be received/signed for by the vendors or their legally authorized representative(s).

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.7.3 Non-Withholding and Remittance of Service Tax

**Criteria**

1.7.3.1 Section 905 of the Revenue Code of Liberia Act of 2000 - Withholding of Tax on Payments to Residents states:

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

This subsection applies to the following types of persons:

(1) a resident legal or natural person;

(2) a nonresident with a branch in Liberia or doing business in Liberia;

(3) a government agency; or

(4) unless expressly exempted by international agreement or treaty, a nongovernmental organization operating in Liberia or a diplomatic mission to Liberia.

(f) Payments for Services Rendered.

(a) If a payer makes a payment to a resident for services rendered, and the services are not the subject of a contract of employment, the payer is required to withhold tax at the rate of 10 percent of the amount of the payment.

(b) This subsection applies only if—

(1) the payment is of a sort includible in gross income under Section 201 (including Board fees, management fees, commissions, and the like); and

(2) the payment is $100,000 or more (or of any amount if the total amount of payments made to the payee is (or is expected to be) $1,000,000 or more for the payer's tax year).

(c) A payment for the acquisition of goods is not a payment for services rendered. If the payment is for a mixture of goods and services, withholding is required only on the portion of the payment that is allocable to the services.

(n) Payments by Government Agency.

A government agency that makes a payment to a resident in circumstances other than those described in subsections (a) through (i) is required to withhold a portion

of the payment as specified in regulations, but not more than 4%.

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

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

This subsection applies to the following types of persons:

(1) a resident legal or natural person;

(2) a nonresident with a branch in Liberia or doing business in Liberia;

(3) a government agency; or

(4) unless expressly exempted by international agreement or treaty, a nongovernmental organization operating in Liberia or a diplomatic mission to Liberia.

(e) Payments for Services Rendered. A payor who makes a payment to a nonresident for

Liberian-source services rendered is required to withhold tax at the rate of 15 percent

of the amount of the payment if payment is of a sort that, if made to a resident, would be includible in gross income under Section 201 Page 75 of 100 (including Board fees, management fees, commissions, and the like).

(j) Payments by Government Agency.

A government agency that makes a payment to a nonresident in circumstances other

than those described in subsections (a) through (g) is required to withhold a portion

of the payment as specified in regulations, but not more than 4%.

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

(J) Withholding Requirements, Remittance, And Statement. Within 10 days after the last day of a month, a payor described in (a) is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each resident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). and (M) Penalties. A person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to the Section 52 penalty for late payment and failure to pay. For the purpose of applying the Section 52 penalty to a failure to withhold and remit tax, references in Section 52 to the "payment due date" are to be understood as

referring to the remittance due date under this section. A person who fails to provide the tax authorities with a required statement under subsection (l) is subject to a fine of $10,000 for each required statement not provided.

1.7.3.4 Section 806 of the Revenue Code of Liberia Act of 2000
(h) Withholding Requirements, Remittance, And Statement. Within 10 days after the last day of a month, a payor who has made a payment to a nonresident is required to remit to the tax authorities the total amount required to be withheld during that month. Each remittance of tax under this section must be accompanied by a statement specifying the name and address of each nonresident to whom a payment was made, the type and amount of each payment, and the amount of tax withheld (and, if the Minister requests, underlying documentation in accordance with Section 55, including contracts). If the withholding agent is a resident, the place for remittance is the withholding agent's filing location (as designated in Section 50). If the withholding agent is a nonresident, the place of remittance is the Ministry of Finance.

**Observation**

1.7.3.5 During the audit, we observed no evidence of services tax (2% or 4% for procurement of goods and services (where applicable), 10% and 15% for service and consultancy of resident and non-resident respectively and 1% for petroleum products) being withheld and remitted into GoL Revenue Account for the purchase of goods and services.

**Risk**

1.7.3.6 Failure to withhold and remit service tax may deny GoL of the much-needed tax revenue.

1.7.3.7 Management may be noncompliant with Section 905 (a, f and n) and Section 806 (a, e and j) of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.

1.7.3.8 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

**Recommendation**

1.7.3.9 Management should provide substantive justification for not withholding and remitting service tax.

1.7.3.10 Going forward, Management should withhold tax on all services procured and facilitate full remittance of service tax to the general revenue account in keeping with Section 905 (a, f and n) and Section 806 (a, e and j) of the Revenue Code of Liberia Act of 2000 as amended and restated 2011.

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.7.4 No Delivery Notes and Job Completion Certificates

**Criteria**

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

**Observation**

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

**Table 10: No Delivery Notes and Job Completion Certificates**

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

**Risk**

1.7.4.3 In the absence of delivery notes, payments may be made for goods not received or the approved quantity and specifications of goods may not be received.

1.7.4.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of public funds.

1.7.4.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

1.7.4.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

1.7.4.7 Management may be non-compliant with Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019.

**Recommendation**

1.7.4.8 Management should ensure that delivery notes are received for all goods procured to validate those goods paid for including the required specifications were delivered to the end user. (The delivery note should be uniquely coded to reflect the specific transactions).

1.7.4.9 Delivery orders should be signed by the vendors, the procurement officer, storeroom officer and an internal auditor/assurance officer.

1.7.4.10 Management should ensure that job completion certificates are submitted by vendors/consultants upon the completion of all services. Management should facilitate the timely review of all completed services against approved specifications/contracts and approve the job completion certificates accordingly.

1.7.4.11 Evidence of delivery notes for all goods received and job completion certificates for all services performed should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

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

**Auditor General's Position**

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

## 1.7.5 Irregularities Associated with Travel Expenditures

**Criteria**

1.7.5.1 Section 29 of the GoL Revised Travel Ordinance 2016/2017 states that "Upon return from abroad, officials are required to submit to the Financial Regulations Unit of the Ministry of Finance and Development Planning, a Travel Settlement Form as per Annexure II and copy of certificates for workshops, seminars, etc., used ticket stubs, copy of passport within 14 days from the date of return from tour or before date of next journey, whichever is earlier. In very exceptional cases where the second granted with the specific written approval of the official concerned, explaining the reasons thereof".

**Observation**

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

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

**Table 12: Irregularities Associated with Travel Expenditures**

| Payee | Description | Document missing | Amount US$ |
|---|---|---|---|
| Ama Y Gwaikolo | Payment raised for foreign travel to Tanzania for (10) days for DG and PMU Director | No DSA/ Accommodation expenditure report | 4,760.00 |
| Ama Y Gwaikolo | Payment for additional days for out station travel to Gbarnga, Bong county and construction of pillar | No DSA/Accommodation expenditure report. No job completion report for pillar construction | 3,746.00 |
| Oliver G. Wilson | Payment for workshop training in Four(4) counties Lofa, Nimba, Bong& Grand Gedeh on Cocoa quality control | No DSA expenditure report. No report of training conducted. No signature log of payment received. | 35,000.00 |
| Amie Y Gwaikolo | Payment for outstation travel to Bong and Lofa | No payment request, no approval, No DSA expenditure report | 950 |
| Tina Welleh Lorenzo | Payment for outstation travel to Nimba Bong and Grand Gedeh | No DSA expenditure report | 2,358.00 |
| Oliver G wilson | Payment Raised for foreign travel to Dubai for DG | No accommodation receipt and Travel retirement report | 2,776.00 |
| Ama Y Gwaikolo | Payment for six days travel out station to Grand Gedeh Rivergee, Maryland | Unsigned request, No DSA expenditure report | 5,336.50 |
| Ama Y Gwaikolo | Payment request for out station travel to Gbanga Bong county for three days and management contribution to William V.S Tubman high school | No DSA and Accommodation expenditure report. No report or evidence that management made the 1,000 USD contribution to William V.S Tubman high school | 3,400.00 |
| Ama Y Gwaikolo | Payment for four days stakeholder engagement organize by Bureau state enterprise in Ganta Nimba county | No invitation from Bureau of state enterprise, No DSA and Accommodation expenditure report. No report of stake holder engagement | 2,279.00 |
| Oliver G Wilson | Payment representing outstation Travel | No request. No report attached | 2,000.00 |

| Payee | Description | Document missing | Amount US$ |
|---|---|---|---|
| Ama Y Gwaikolo | Payment for two days travel to Gbarnga Bong county for estate survey | No DSA and Accommodation Report, No Travel Report | 2,993.00 |
| **Total as at June 30, 2025** | | | **65,598.50** |

**Risk**

1.7.5.3 Non-compliance with the national travel ordinance or the entity's approved travel ordinance where applicable may lead to misappropriation of public funds. Travel expenditures may be disbursed above the approved rates.

1.7.5.4 Travel expenditures not appropriately retired/accounted for may lead to misappropriation of the entity's funds.

1.7.5.5 In the absence of travel activities reports, travel expenditure may be utilized for unapproved activities.

**Recommendation**

1.7.5.6 Management should ensure that all incidental allowances should be duly retired/accounted for through the filling and subsequent approval of the travel settlement form. The form should be accompanied by original copies of receipts and travel activities reports to justify the regularity of the transactions.

1.7.5.7 Evidence of all travel expenditures records including travel settlement forms, original copies of receipts and travel activities reports should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.7.5.9 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has therefore begun the process of instituting an electronic documents management*

*system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA). Approved travel advance forms, travel settlement forms, activity reports, and supporting documents from local and foreign travels will be properly scanned and filed for future review.*

**Auditor General's Position**

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

### 1.7.6 Irregularities Associated with Fuel Expenditures

**Criteria**

1.7.6.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

**Observation**

1.7.6.2 During the audit, we observed the following irregularities associated with fuel expenditures:

- No evidence of policy to regulate the procurement, storage and distribution of fuel.
- No evidence of generators and vehicles fuel consumption logs for the period under review. **See Table 12 below for details.**

**Table 12: Irregularities Associated with Fuel Expenditures**

| Date | Description | Payee | Voucher # | Check # | Amount (US$) |
|---|---|---|---|---|---|
| **Six Months ended June 30, 2025** | | | | | |
| 7-Jan-25 | Payment for Fuel Generator & Vehicle | Conex Energy Liberia | 299 | 104935 | 5,740.00 |
| 29-Jan-25 | Payment for Fuel Generator & Vehicle | Conex Energy Liberia | 324 | 104967 | 5,740.00 |
| 4-Mar-25 | Payment for Fuel Generator & Vehicle | Conex Energy Liberia | 360 | 105011 | 5,597.00 |

| Date | Description | Payee | Voucher # | Check # | Amount (US$) |
|---|---|---|---|---|---|
| 9-Apr-25 | Payment for Fuel | Conex Energy Liberia | 40 | 105056 | 5,890.70 |
| 13-Jun-25 | Payment for Fuel | Conex Energy Liberia | 493 | 105148 | 2,558.30 |
| **Total as June 30, 2025** | | | | | **25,526.00** |

**Risk**

1.7.6.3 Fuel procured may not be based on actual consumption.

1.7.6.4 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.

1.7.6.5 Fuel may be distributed on a discretionary basis, in the absence of a policy.

**Recommendation**

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

1.7.6.7 Management should maintain a fuel consumption and distribution log to aid the entity manage cost and inform future purchase.

1.7.6.8 Evidence of approved fuel policy and all other fuel procurement, distribution, and consumption records should be adequately documented and filed to facilitate future review.

1.7.6.9 Going forward, Management should conduct periodic reconciliation between the fuel procured and the distribution logs. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and file to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

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

### 1.7.7 Irregularities Associated with Scratch Cards Distribution

**Criteria**

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

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

**Observation**

1.7.7.3 During the audit, we observed that Management procured and disbursed a total of US$ 11,080.00 value of scratch cards for the entity's operations without evidence of an approved policy. **See Table 13 for details.**

**Table 13: Irregularities Associated with Scratch Cards Distribution**

| Date | Description | Payee | Voucher # | Check # | Amount (US$) |
|---|---|---|---|---|---|
| **Six Months ended June 30, 2025** | | | | | |
| 28-Jan-25 | Payment for Scratch Cards | Favor Marketing INC | 319 | 104963 | 2,120.00 |
| 10-Mar-25 | Payment for Scratch Cards | Favor Marketing Inc. | 362 | 105010 | 2,160.00 |
| 28-Mar-25 | Payment for Scratch Cards | Favor Marketing Inc. | 389 | 105041 | 2,340.00 |
| 5-May-25 | Payment for Scratch Cards | Favor Marketing Inc. | 442 | 105090 | 2,235.00 |
| 5-Jun-25 | Payment for Scratch Cards | Favor Marketing Inc. | 469 | 105124 | 2,225.00 |
| **Total as at June 30, 2025** | | | | | **11,080.00** |

**Risk**

1.7.7.4 Scratch cards may be distributed on a discretionary basis, in the absence of a policy.

1.7.7.5 Management may spend above budgeted allocation and scratch cards may be subjected to misappropriation or theft.

**Recommendation**

1.7.7.6 Management should develop, approve and operationalize a policy on scratch cards distribution, consumption, purchase and ensure that proper records are maintained.

1.7.7.7 Management should maintain scratch cards consumption and distribution logs to aid the entity manage cost and inform future purchase.

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

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.7.7.10 *Management acknowledges the findings and recommendations. All expenditures incurred during the periods under audit were done legitimately and within approved budgets and approvals from senior management and the Board. However, Management has been having challenges with manually storing documents from financial and operational activities at the Authority (LACRA). This has caused misplacing of documents and loss of documents due to flood. Management has*

*therefore begun the process of instituting an electronic documents management system (EDMS) to scan and stored all records (financial, administrative, and operational). The EDMS will be very effective in properly storing all records of the Authority (LACRA). The policy on scratch cards will be included in the financial manual of the Authority (LACRA). Scratch cards consumption logs, utilization reports, and supporting documents are being scanned and filed for future review.*

**Auditor General's Position**

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

## 1.8 Fixed Assets Management

### 1.8.1 Irregularities Associated with Fixed Asset Management

**Criteria**

1.8.1.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:

- the date and other details of the voucher or other document on which the items were received or issued;
- their serial numbers where appropriate; and
- their distribution to individual locations and the total quantity held."

**Observation**

1.8.1.2 During the audit, we observed the following irregularities associated with the entity's Fixed Assets Management System:

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns
- The fixed assets register was not regularly updated
- Most fixed assets of the entity were not coded.
- There was no evidence of periodic physical verification of assets by Management
- There was no evidence of movement of assets form.
- There was no history of disposal of assets
- Fixed assets within a given vicinity were not displayed as required by the PFM Act.

**Risk**

1.8.1.3 Fixed Assets may be misstated (Over/understated).

1.8.1.4 Fixed Assets may be damaged or impaired but their values are still on the books.

1.8.1.5 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.

1.8.1.6 The lack of asset movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.

1.8.1.7 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the entity's objectives.

1.8.1.8 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

**Recommendation**

1.8.1.9 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.

1.8.1.10 Management should ensure that the fixed assets register is updated to reflect the following; description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.

1.8.1.11 Management should initiate/enforce a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed asset verification exercises. Discrepancies in coding identified during verification should be updated in a timely manner.

1.8.1.12 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.

1.8.1.13 The Fixed Assets Register should be updated periodically to reflect all the entity's assets.

1.8.1.14 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.

1.8.1.15 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of assets.

**Management's Response (Interim Management)**

1.8.1.16 *Management acknowledges the finding. However, the interim management has commenced strengthening fixed asset management controls through development and updating of asset registers, improved asset identification and custodianship procedures, periodic physical verification exercises, and enhanced coordination between Procurement, Finance, and Administrative functions. Management is also reinforcing documentation requirements relating to asset acquisition, assignment, transfer, and disposal processes to strengthen accountability and reporting accuracy.*

**Management Response (Suspended Management)**

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

**Auditor General's Position**

1.8.1.18 Management assertions were not supported by documentary evidence. Management did not provide evidence of the updated fixed asset registers, improved fixed asset identification and custodianship procedures, and report on periodic physical verification of fixed assets as asserted by Management.

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

## 1.9 Inventory Management

### 1.9.1 Irregularities Associated with Inventory Management System

**Criteria**

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

**Observation**

1.9.1.2 During the audit, we observed the following irregularities associated with the inventory management system for stationeries and supplies:

- No evidence of approved policy to regulate inventory management of the entity.
- Inventories were not stored in secured custody. The warehouse was not protected by a metallic door.
- Inventories were not systematically arranged on shelves and comprehensively labeled.
- No evidence of manual or automated inventory management system comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies.
- No evidence of periodic physical verification of inventories/stock take.

**Risk**

1.9.1.3 Inventories may be procured, stored, distributed and reported on a discretionary basis in the absence of a policy.

1.9.1.4 Inventory may be susceptible to theft if kept in an unsecured custody.

1.9.1.5 Inventory may be susceptible to damage or misappropriation if stored in an inappropriate environment.

1.9.1.6 Inventory may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.

1.9.1.7 Inventory may be misappropriated leading to decline in operational activities.

**Recommendation**

1.9.1.8 Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the entity. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.

1.9.1.9 Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

1.9.1.10 Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.

1.9.1.11 Inventory should be systematically arranged on shelves, comprehensively and systematically labeled to facilitate effective monitoring, evaluation and recording of inventories.

1.9.1.12 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.

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

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.9.1.15 *Management acknowledges the findings and recommendations. Management takes keen interest in improving all internal processes and systems, including the inventory management system. The inventory management policy has been approved and operationalized. There is database in Microsoft Excel that records inventories received and distributed. The storeroom is been revamped to provide for proper ventilation, storage, and security of inventory items. Shelves are being installed to systematically arrange inventory items. Stock and bin cards will be developed and use to properly identify and label inventory items.*

1.9.1.16 *The physical verification of inventory items should be done periodically and Management has instructed the logistics officer to conduct physical verification of inventory items procured and distributed for 2024 and 2025. A report will be prepared, submitted, and filed, along with supporting records.*

**Auditor General's Position**

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

## 1.10 Revenue Management

### 1.10.1 Irregularities Associated with Internally Generated Revenue System

**Criteria**

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

**Observation**

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

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

**Table 15: Irregularities Associated with Internally Generated Revenue System**

| Receipt Batch Utilized | Quantity in Batch | Receipt Series Unaccounted for | Quantity Unaccounted for |
|---|---|---|---|
| **Six Months ended June 30, 2025** | | | |
| 615-650 | 35 | 641 | 1 |
| 651-700 | 50 | 656, 662, 667, 678,679 | 5 |
| 701-750 | 50 | 719, 747, | 2 |
| 751-800 | 50 | 759, 767, 767, 769, 770,771, 772, 773, 775, 790,792,796 | 12 |
| 801-850 | 50 | 804, 811, 824 | 3 |
| 851-899 | 49 | 864, 886 | 2 |
| **Total** | | | **25** |

**Risk**

1.10.1.3 Internally generated revenue may be projected, collected and reported on a discretionary basis.

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

1.10.1.5 Management may not fully account for activities/assets of the entity.

1.10.1.6 All collections of fees for services may not be deposited in the entity's bank account.

1.10.1.7 Internally generated revenue may be susceptible to theft.

1.10.1.8 Fees of service may be charged above or below the approved listing.

**Recommendations**

1.10.1.9 Management should account for the 25 receipts for the six months ended June 30, 2025 as catalogued in Table 15, as part of Management's Response to this Management Letter.

1.10.1.10 Management should develop, approve and operationalize a policy to regulate the projection, collection and reporting of internally generated revenue. As part of the policy, Management should develop approved fees for service. Fees for service should be displayed at visible location at centers for the collection of internally generated revenue. Management should also ensure that approved fees for service is consistent with fees charged to customers evidenced by fees reported on invoices and receipts.

1.10.1.11 Management should ensure that all sources of internally generated revenue are comprehensively cataloged, projected and reported in the entity's approved internal budget.

1.10.1.12 Management should perform periodic reconciliation amongst the invoices, receipts, deposit slips and bank statements used in the collection of internally generated revenue. Variances identified should be investigated and adjusted where applicable in a timely manner.

1.10.1.13 Evidence of approved policy, periodic reconciliation, periodic reports and other supporting records including invoices, receipts, deposit slips and bank statements should be adequately documented and filed to facilitate future review.

1.10.1.14 Going forward, Management should procure and operationalize an automated billing system to facilitate comprehensive collection of internally generated revenue. The billing system should be programmed to generate invoices, interfaced with the banking system, and subsequent generation of receipts. Inputs entered into the system by a junior staff should be reviewed and approved by senior personnel before the system generates invoices and receipts. The billing system should also be interfaced with the accounting software (financial reporting systems).

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.10.1.16 *Management acknowledges the findings and recommendations. The revenue policy has been documented in the financial manual that is being finalized for approval and operationalization. There has been improvement in the internal budget process as internally generated revenues are fully captured in the annual internal budget beginning 2025. Internally generated revenues are no longer collected in cash but directly deposited in designated bank accounts. The bank statements provide the evidence on deposits. Monthly revenue reconciliation has been done and used to prepare monthly revenue reports and financial statements.*

1.10.1.17 *Management accepts that approved fees listing was not prepared, approved and displayed. This will be developed, incorporated in the approved financial manual, and displayed immediately.*

1.10.1.18 *The automated billing for the generation of invoices for internally generated revenues will be incorporated in the accounting software. Billing information will be generated from the software, collections will be recorded, reconciliations performed, and revenue reports generated.*

**Auditor General's Position**

1.10.1.19 Management assertions did not adequately address the issues raised. Management did not account for the 25 receipts for the six months ended June 30, 2025 as catalogued in Table 15 above.

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

### 1.10.2 Irregularities Associated with Internally Generated Revenue Reported

**Criteria**

1.10.2.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

**Observation**

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

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

**Table 16: Irregularities Associated with Internally Generated Revenue Reported**

| Description (A) | Financial Statements US$ (B) | Receipts Report US$ (C) | Bank Statements US$ (D) |
|---|---|---|---|
| As June 30, 2025 | 1,228,050.00 | 1,228,050.00 | 1,217,767.84 |

**Risk**

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

1.10.2.4 Management may not account for all of its transactions.

**Recommendations**

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

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

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

1.10.2.8 Management should procure and operationalize an automated billing system to facilitate comprehensive collection of internally generated revenue. The billing system should be programmed to generate invoices, interfaced with the banking system, and subsequent generation of receipts. Inputs entered into the system by a junior staff should be reviewed and approved by senior personnel before the system generates invoices and receipts. The billing system should also be interfaced with the accounting software (financial reporting systems).

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

1.10.2.10 *Management acknowledges the finding and recommendations. Internally generated revenues are no longer collected in cash but directly deposited in designated bank accounts. The bank statements provide the evidence on deposits. Monthly revenue reconciliation has been done and used to prepare monthly revenue reports and financial statements.*

1.10.2.11 *The automated billing for the generation of invoices for internally generated revenues will be incorporated in the accounting software. Billing information will be*

*generated from the software, collections will be recorded, reconciliations performed, and revenue reports generated.*

**Auditor General's Position**

1.10.2.12 Management assertions did not adequately address the issues raised. Management did not account for the variances amongst the revenue report, bank statements and the financial statements comprehensively catalogued in Table 16 above.

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

## 1.11 Receivables Management

### 1.11.1 Irregularities associated Account Receivables Management

**Criteria**

1.11.1.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

1.11.1.2 Regulation M. 3 (C) of the PFM Act of 2009 as restated in 2019 states that "The funds of a State-Owned-Enterprise shall include monies accruing to the enterprise in the exercise and performance of its functions".

1.11.1.3 IFRS 9 recognizes that every loan and receivable carries with it some risk of default such that every such asset has an expected loss attached to it from the moment of its origination or acquisition.

1.11.1.4 IFRS 9 allows for trade receivables that do not have a significant financing component to be measured at undiscounted invoice price rather than fair value and also establishes an "expected loss" model that focuses on the risk that a loan or receivable will default rather than whether a loss has been incurred.

1.11.1.5 It therefore requires calculating the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods.

1.11.1.6 Additionally, IFRS 15-Revenue from Contracts with Customers states that "revenue is recognized when each performance obligation is satisfied".

**Observation**

1.11.1.7 During the audit, we observed the following irregularities associated with receivable management:

- There was no evidence of account receivables management policy,
- Account receivables were not recorded in a comprehensive, accurate and timely manner,
- There was no evidence of account receivables aging analysis,
- There was no evidence of periodic write-off of significantly overdue receivables.

**Risk**

1.11.1.8 Receivables may be accrued, collected and written-off on a discretionary basis. This may lead to the under collection or misstatement of receivables.

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

1.11.1.10 In the absence of a receivables ageing schedule, receivables may not be reliably monitored, evaluated and collected in a timely manner.

1.11.1.11 Fair presentation and full disclosures may be impaired when receivables are recorded in the wrong accounting period. Receivable balance and subsequently the financial statements may be misstated.

**Recommendation**

1.11.1.12 Management should develop, approve and operationalize receivables management policy to regulate the recognition, collection, adjustment and management of accounts receivables. The policy should include a specified period for follow-up on debt collection and clearly defined actions to be undertaken at each specified period. The policy should also include provision for adjustment and write-off of accounts receivables consistent with required regulations and IFRS.

1.11.1.13 Account receivables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Revenue/receivable should be recognized upon issuance of invoice and subsequent completion of service (**where applicable**). Receivable should be disclosed on the face of the Statement of Financial Position (Balance Sheet).

1.11.1.14 Management should establish receivable aging analysis to monitor the age of receivables and implement the specified actions to be taken based on the age of the debt consistent with the receivables management policy. The schedule should contain the following: names of the receivables, address of the receivables, contacts of receivables, date of recognition, initial invoice, payments, additional invoices, current receivables balance, and age grouping.

1.11.1.15 Going forward, Management should ensure that current expected credit loss analyses and the Accounts Receivable Aging Analysis are included in the notes to the financial statements (where applicable). These analyses will enable stakeholders/users of the financial statements to ascertain the 'trend' relating to collectability, and correct net realizable value of the trade receivables in the statement of financial position.

1.11.1.16 Management should periodically analyze account receivables to identify slow moving and or impaired receivables and adjust/write-off consistent with policy (where applicable). All receivable write-off should be reviewed and approved by the relevant authority before execution.

1.11.1.17 Management should perform periodic reconciliation of receivable balances by reconciling accounts receivable ledgers to customers' statements, receivable confirmation, and the receivable aging analysis (where applicable). Variances identified should be investigated and adjusted where applicable in a timely manner.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

1.11.1.19 *Management acknowledges the findings and recommendations. The receivable policy has been documented in the financial manual that is being finalized for approval and operationalization. There has been improvement in the receivable management process as billings are recorded and receipts against billings. Monthly reconciliation has been done with billings and receipts, against subsidiary ledgers for clients/customers.*

1.11.1.20 *Management will begin the ageing of receivables analysis on a monthly basis, with immediate effect. This will determine clients/customers that are timely in meeting their obligations. Writing off of receivables will be done on a case-by-case basis and approved by the Board.*

**Auditor General's Position**

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

## 1.12 Payable Management

### 1.12.1 Irregularities associated Payable Management

**Criteria**

1.12.1.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

1.12.1.2 Regulation M. 3 (C) of the PFM Act of 2009 as restated in 2019 states that "The funds of a State-Owned-Enterprise shall include monies accruing to the enterprise in the exercise and performance of its functions".

1.12.1.3 PFM Regulations O.1(Paragraph 3) of the PFM Act of 2009 requires that head of government agency shall ensure that all persons liable to pay revenue are informed of bills, demand notes and other appropriate notices, of debts which are due and that adequate measures are taken to obtain payment.

1.12.1.4 Furthermore, Regulations O.21 (Paragraph 1-3) of the PFM Act of 2009 requires that Government Agency revenue collectors shall keep records of moneys collected in such form as the Comptroller-General may determine and for such periods consistent with the provisions of Regulation 12. The records shall show the persons from whom revenue is due, description of liability, the amount payable, the date, location, receipt number and amount of the collections made. The records shall, wherever possible, be self-balancing and shall be reconciled with the cash collections monthly.

**Observation**

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

- There was no evidence of account payable management policy,
- Account payable were not recorded in a comprehensive, accurate and timely manner,
- There was no evidence of account payable aging analysis,
- There was no evidence of periodic review of significantly overdue payables.

**Risk**

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

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

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

**Recommendation**

1.12.1.9 Management should develop, approve and operationalize payables management policy to regulate the recognition, disbursement, adjustment and management of accounts payables. The policy should include a specified period for follow-up on credit payments and clearly defined actions to be undertaken for prioritizing payments. The policy should also include provision for adjustment and write-off of accounts payables consistent with required regulations and IFRS.

1.12.1.10 Account payables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Payables should be recognized upon receipt of invoice and subsequent receipts of goods or service (**where applicable**). Payables should be disclosed on the face of the Statement of Financial Position (Balance Sheet).

1.12.1.11 Management should establish payables aging analysis to monitor the age of payables and implement the specified actions to be taken based on the age of the credits consistent with the payables management policy. The schedule should contain the following: names of the payees, address of the payees, contacts of payees, date of recognition, initial invoice, payments, additional invoices, current payables balance, and age grouping.

1.12.1.12 Management should periodically analyze account payables to identify overdue payables and adjust/write-off consistent with policy. All payables write-off should be reviewed and approved by the relevant authority before execution.

1.12.1.13 Management should perform periodic reconciliation of payables balances by reconciling accounts payables ledgers to vendors' statements, payables confirmation, and the payables aging analysis. Variances identified should be investigated and adjusted where applicable in a timely manner.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

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

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

**Auditor General's Position**

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

## 1.13 Assurance Management

### 1.13.1 No Internal Audit Unit

**Criteria**

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

**Observation**

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

**Risk**

1.13.1.3 The absence of/ non-functional Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.

1.13.1.4 Systems, controls and compliance activities may not be monitored, thereby impairing the achievement of the entity's objectives.

1.13.1.5 External audit recommendations may not be implemented in a timely manner.

**Recommendation**

1.13.1.6 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of periodic risk assessments, internal audits and implementation of internal and external audit recommendations.

1.13.1.7 Periodic risk assessments and internal audit reports as well as evidence of following up on the implementation of internal and external audit recommendations should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

*internal audit reports were submitted and filed. This evidence are available for review.*

**Auditor General's Position**

1.13.1.10 Management's assertions were not supported by documentary evidence. Management did not provide evidence of periodic risks assessment, internal audit reports and follow-up on the implementation of internal and external audit recommendations as requested.

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

### 1.13.2 No Evidence of Approved Internal Audit Charter

**Criteria**

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

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

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

**Observation**

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

**Risk**

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

**Recommendation**

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

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

**Management's Response (Interim Management)**

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

**Management's Response (Suspended Management)**

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

**Auditor General's Position**

1.13.2.10 Management assertions were not supported by documentary evidence. Management did not provide evidence of the signed and approved Internal Audit Charter as asserted by Management.

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

### 1.13.3 No Evidence of Approved Internal Audit Plan

**Criteria**

1.13.3.1 Section 1110 of the International Standards for the Professional Practice of Internal Auditing (Standards) states that "Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of

functional reporting to the board involve the board*:*

- Approving the internal audit charter.
- Approving the risk based internal audit plan.
- Approving the internal audit budget and resource plan.
- Receiving communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters.
- Approving decisions regarding the appointment and removal of the chief audit executive.
- Approving the remuneration of the chief audit executive.
- Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations".

**Observation**

1.13.3.2 During the audit, we observed no evidence that the draft internal audit plan for fiscal year 2025 was not approved by the board of directors as required.

**Risk**

1.13.3.3 Risk assessment activities and periodic internal audits may not be effectively planned for and implemented in a timely manner. This may impair the achievement of the internal audit unit objectives.

1.13.3.4 Internal and external audit recommendations may not be followed-up on and implemented in a timely manner.

**Recommendation**

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

1.13.3.6 Evidence of approved annual internal audit plan should be adequately documented and filed to facilitate future review.

**Management's Response (Interim Management)**

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

**Management Response (Suspended Management)**

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

**Auditor General's Position**

1.13.3.9 Management assertions were not supported by documentary evidence. Management did not provide evidence of the signed and approved comprehensive annual internal audit plan cataloging planned activities of the internal audit function as asserted by Management.

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

## ANNEXURES

### Annexure 1: Transaction with Inadequate Supporting Documentation

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| 20-Jan-25 | Payment for vehicle registration for DDGA/F | 310 | No Tax clearance, Business Registration | 200.00 |
| 22-Jan-25 | Payment for generator maintenance | 309 | No service Completion Certificate, Receipts | 120.00 |
| 7-Jan-25 | Payment purchasing of security assorted items | 300 | No Vendor Identification attached, No Delivery Note, No Distribution list, No Business Registration | 540.00 |
| 8-Jan-25 | Payment for security radio programming | 301 | No Tax clearance, Business Registration | 150.00 |
| 8-Jan-25 | Payment for publicity | 304 | No Tax clearance, Business Registration, Receipts | 2,905.00 |
| 22-Jan-25 | Payment lunch for the committee member | 847 | No Tax clearance, Business Registration, Receipts | 300.00 |
| 24-Jan-25 | Payment for billboard, banner, brochures(publicity) | 315 | No service Completion Certificate, Receipts | 4,480.00 |
| 29-Jan-25 | Payment for refreshment for the retreat committee | 852 | No Tax clearance, Business Registration, No Receipts | 625.00 |
| 30-Jan-25 | Payment for chlorine to purified the water for the building | 326 | No Delivery Note, No Receipts | 350.00 |
| 31-Jan-25 | Payment for lunch for the budget committee | 327 | No Tax clearance, Business Registration, No Receipts | 200.00 |
| 20-Jan-25 | Payment for printing of stickers for the entity | 336 | No Delivery Note, | 300.00 |
| 3-Feb-25 | payment for lunch for the board chair | 332 | No Tax clearance, Business Registration, No Receipts | 500.00 |
| 3-Feb-25 | payment for payment vouchers request & receipts | 330 | No Delivery Note, | 1,560.00 |
| 3-Feb-25 | Payment for refund for DG'S Vehicle maintenance | 329 | No Tax clearance, Business Registration, No Receipts | 100.00 |
| 5-Feb-25 | Payment for office blind for the DG,IAA, and Comptroller office | 335 | No Tax clearance, No Receipts | 195.00 |
| 6-Feb-25 | Payment for lunch for the committee on the | 344 | No Tax clearance, Business Registration, No Receipts | 200.00 |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| | annual report | | | |
| 6-Feb-25 | Payment for lunch for sub-committee on food safety | 337 | No Tax clearance, Business Registration, No Receipts | 300.00 |
| 7-Feb-25 | Payment for binding machine and accessories | 342 | No Tax clearance, Business Registration, No Receipts | 175.00 |
| 7-Feb-25 | payment for contribution to IACO and ACRN for 2024/2026 | 341 | No Receipt | 15,000.00 |
| 19-Feb-25 | Payment for generator maintenance | 350 | No service Completion Certificate, Receipts | 120.00 |
| 20-Feb-25 | Payment for technical committee for ITC project | 354 | No Tax clearance, Business Registration, No Receipts, invoice number | 1,000.00 |
| 6-Feb-25 | Payment for office equipment & supplies for the HR office | 339 | No Delivery Note, No Receipts | 545.00 |
| 10-Mar-25 | payment for stationary, publicity and others | 366 | No Tax clearance, Business Registration, No Receipts, invoice number | 4,945.00 |
| 10-Mar-25 | Payment for stationary and office supplies. | 368 | No Delivery Note, No Receipts | 1,409.00 |
| 11-Mar-25 | Payment for printing of jacket for operation department | 370 | No Delivery Note, No Distribution list, No Business Registration No Tax Clearance. | 180.00 |
| 11-Mar-25 | Payment for intra-government league regist. | 369 | No Receipts | 750.00 |
| March 11,2025 | payment for printing stickers for entity | 371 | No Delivery Note, No Receipts No Invoice | 300.00 |
| 17-Mar-25 | payment for three compartment toilet | 373 | No Delivery Note, No Receipts No Invoice | 4,788.00 |
| 17-Mar-25 | payment for renovation of security booth | 372 | No service Completion Certificate, receipts | 2,802.00 |
| 18-Mar-25 | payment for research fee at the national archive | 374 | No Tax clearance, Business Registration, No Receipts, invoice number | 500.00 |
| 18-Mar-25 | Payment for Tea accessories for DG'S | 375 | No Delivery Note, No Receipts | 425.00 |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| 19-Mar-25 | Payment for vehicle repair and maintenance for jan, feb and mar | 377 | No service Completion Certificate, | 4,891.00 |
| 20-Mar-25 | Payment for management contribution to Liberia physician and surgeons | 380 | No Tax clearance, Business Registration, No Receipts, invoice number | 5,000.00 |
| 20-Mar-25 | Payment for refreshment for the board meeting | 378 | No Tax clearance, Business Registration, No Receipts, invoice number | 503.00 |
| 21-Mar-25 | Payment for board first quarter meeting march 2025 | 381 | NO | 4,725.00 |
| 26-Mar-25 | Payment for publicity | 386 | No Tax clearance, Business Registration, No Receipts, invoice number | 250.00 |
| 26-Mar-25 | payment for generator maintenance | 385 | No Tax clearance, Business Registration No Service Completion Certificate | 120.00 |
| 26-Mar-25 | Payment for HP 7720 printer cartridge | 382 | No Delivery Note, No Receipts | 240.00 |
| 26-Mar-25 | Payment for printing bill board | 383 | No Tax clearance, Business Registration, No Receipts, invoice number | 720.00 |
| 27-Mar-25 | Payment for office equipment & supplies for the HR office | 393 | No Delivery Note, No Receipts | 1,370.00 |
| 28-Mar-25 | Payment to the muslin employee | 395 | No Delivery Note, No Distribution list, No Business Registration No Tax Clearance. | 432.00 |
| 28-Mar-25 | Payment for LACRA annual work-plan committee | 396 | No Tax clearance, Business Registration, No Receipts, invoice number | 560.00 |
| 27-Mar-25 | Payment for the publication bid invitation | 392 | No Receipts | 1,025.00 |
| 31-Mar-25 | Payment for sport and recreation for the inter-ministerial league | 397 | No Receipts | 2,695.00 |
| 1-Apr-25 | Payment for developing of five years strategic plan for LACRA | 400 | No Tax clearance, Business Registration, No Receipts, invoice number | 5,265.00 |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| 2-Apr-25 | Payment for practice section for inter-ministerial league for LACRA player | 401 | No Receipts | 2,220.00 |
| 3-Apr-25 | Payment generator repair & Maintenance | 404 | No service Completion Certificate, No receipts | 120.00 |
| 3-Apr-25 | Payment for board refreshment | 403 | No Tax clearance, Business Registration, No Receipts, invoice number | 497.00 |
| 4-Apr-25 | Payment for Vehicle insurance for the DDGOTs | 405 | No service Completion Certificate, No receipts, No Business | 325.00 |
| 7-Apr-25 | Payment for live appearance on the Okay FM | 408 | Business Registration, No Receipts, | 300.00 |
| 8-Apr-25 | Payment for public relation | 423 | No Tax clearance, Business Registration, No Receipts, invoice number | 800.00 |
| 10-Apr-25 | Payment for additional sporting material | 416 | No Tax clearance, Business Registration, No Receipts, invoice number | 766.00 |
| 10-Apr-25 | Payment for sport and recreation for the inter-ministerial league | 415 | No Receipts | 1,450.00 |
| 10-Apr-25 | Payment for purchasing and installation of the account door. | 414 | No Delivery Note, No Receipts | 118.00 |
| April 15,2025 | Payment for creation of LACRA social media and Maintenance | 419 | No Tax clearance, Business Registration, No Receipts, invoice number | 750.00 |
| 15-Apr-25 | Payment for per diem for player and food | 420 | No Tax clearance, Business Registration, No Receipts, invoice number | 3,274.00 |
| 22-Apr-25 | payment for generator maintenance | 426 | No service Completion Certificate | 120.00 |
| April 22,2025 | payment for vehicle registration for LACRA Buses | 421 | No Tax clearance, Business Registration, No Receipts, invoice number | 512.00 |
| 28-Apr-25 | Payment for Vehicle insurance for the two buses | 433 | No service Completion Certificate, No receipts, No Business | 930.00 |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| 28-Apr-25 | Payment for refreshment for turnover ceremony of LACRA asset | 435 | No Tax clearance, Business Registration, No Receipts, invoice number | 1,692.00 |
| Apil 29, 2025 | Payment for lunch for committee members | 437 | No Tax clearance, Business Registration, No Receipts, invoice number | 400.00 |
| 29-Apr-25 | Payment for media coverage on the official turnover ceremony of LACRA asset | 436 | No Tax clearance, Business Registration, No Receipts, invoice number | 350.00 |
| 30-Apr-25 | Payment for lunch for board members | 440 | No Tax clearance, Business Registration, No Receipts, invoice number | 151.00 |
| 5-May-25 | Payment for branding of LACRA Buses and Motorbikes | 448 | No Receipts, invoice number Service Completion certificate | 690.00 |
| 7-May-25 | Payment for lunch for committee member to review draft strategic plan | 451 | No Tax clearance, Business Registration, No Receipts, invoice number | 250.00 |
| 12-May-25 | Payment for sport and recreation for the inter-ministerial league | 452 | No Tax clearance, Business Registration, No Receipts, invoice number | 1,871.00 |
| 15-May-25 | Payment for refreshment for the board meeting, | 455 | No Tax clearance, Business Registration, No Receipts, invoice number | 369.00 |
| 16-May-25 | Payment for LACRA contribution-2025 annual | 457 | NO | 2,500.00 |
| 19-May-25 | Payment for generator repair and maintenance | 459 | No service Completion Certificate, No receipts | 120.00 |
| 20-May-25 | Payment for vehicle repair and maintenance | 460 | No service Completion Certificate, No receipts | 3,195.00 |
| 22-May-25 | Payment for reimbursement for exporters lunch meeting | 464 | No Tax clearance, Business Registration, No Receipts, invoice number | 203.00 |
| 27-May-25 | Payment for bid advertisement in three newspapers | 465 | No Tax clearance, Business Registration, No Receipts, invoice number | 1,200.00 |
| 27-May-25 | Payment for publicity | 466 | No Tax clearance, Business | |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| | | | Registration, No Receipts, invoice number | 350.00 |
| 28-May-25 | Payment for sport and recreation for the inter-ministerial league | 468 | No Receipts, invoice number | 1,781.00 |
| 3-Jun-25 | Payment for the remaining 50% for website development | 473 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note | 1,000.00 |
| 4-Jun-25 | Payment for construction of water reservoir final payment | 475 | This contract agreement has issue there were no comparative bidding process went on. | 5,882.00 |
| 11-Jun-25 | Payment for LACRA contribution toward the ALPAH gate project | 483 | No Receipts | 1,500.00 |
| 12-Jun-25 | Payment for renovation of DDOGT office | 487 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note | 115.00 |
| 13-Jun-25 | Payment for public relation | 488 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note | 470.00 |
| 13-Jun-25 | Payment for the staff development | 490 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note | 15,000.00 |
| 12-Jun-25 | Payment for refreshment for board and exporter meeting | 489 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery Note | 630.00 |
| 16-Jun-25 | Payment for the printing of receipt voucher | 494 | No formal request No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery, No ID copy | 160.00 |
| 17-Jun-25 | Payment for sport and recreation for the inter-ministerial league | 499 | No Receipts | 1,985.00 |
| 17-Jun-25 | Payment to celebrate LACRA award 2024- | 503 | No formal request, No quotation, No Tax clearance, | 1,200.00 |

| Date | Description | Voucher # | Missing Document | Amount |
|---|---|---|---|---|
| | 2025 at Tropicana beach | | No Business Registration, No invoice, No Delivery, No ID copy | |
| 26-Mar-25 | Payment raised for the purchase of two vehicles for LACRA | 384 | No Receipts, No Vendor Identification attached | 78,000.00 |
| 23-Jun-25 | Payment for awareness on EU Deforestation Regulation | 517 | Unapproved payment voucher | 9,291.63 |
| 20-Jun-25 | Payment for outstation celebration for employees | 515 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery | 790.00 |
| 25-Jun-25 | Payment for stakeholder meeting with partners | 521 | No invoice, No Receipt, No Quotation | 650.00 |
| 25-Jun-25 | Payment for stationary and Publicity for one | 522 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery | 600.00 |
| 19-Jun-25 | Payment for catering service to celebrate LACRA Award | 504 | No quotation, No Tax clearance, No Business Registration, No invoice, No Delivery | 1,400.00 |
| 19-Jun-25 | Payment for catering service to celebrate LACRA Award | 505 | No quotation, No Tax clearance, No Business Registration, No invoice | 1,693.00 |
| 20-Jun-25 | Payment for printing of jackets. | 516 | No quotation, No Tax clearance, No Business Registration, No invoice | 210.00 |
| 20-Jun-25 | Payment for four set of robin for ID card Machine | 508 | No Delivery Note, No Receipts | 660.00 |
| 19-Jun-25 | Payment for publicity MICAT press Briefing. | 506 | No quotation, No Tax clearance, No Business Registration, No invoice | 500.00 |
| **Total** | | | | **222,800.63** |

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

| No. | Date | Payee | Purpose | Voucher # | Check # | Amount US$ |
|---|---|---|---|---|---|---|
| **Third Party Payments as June 30, 2025** | | | | | | |
| 1 | 45,664.00 | Chester P. Fahn Jr. | Not Indicated | 300.00 | 104934 | 540.00 |
| 2 | 45,681.00 | Menson Brown | Not Indicated | 315.00 | 104958 | 4,480.00 |
| 3 | 45,687.00 | Chester P. Fahn Jr. | Not Indicated | 326.00 | 104971 | 350.00 |
| 4 | 45,693.00 | Chester P. Fahn Jr. | Not Indicated | 335.00 | 104984 | 195.00 |
| 5 | 45,695.00 | Chester P. Fahn Jr. | Not Indicated | 342.00 | 104989 | 175.00 |
| 6 | 45,694.00 | Chester P. Fahn Jr. | Not Indicated | 339.00 | 105000 | 545.00 |
| 7 | 45,726.00 | Chester P. Fahn Jr. | Not Indicated | 368.00 | 105017 | 1,409.00 |
| 8 | 45,733.00 | Chester P. Fahn Jr. | Not Indicated | 373.00 | 105021 | 4,788.00 |
| 9 | 45,733.00 | Chester P. Fahn Jr. | Not Indicated | 372.00 | 105022 | 2,802.00 |
| 10 | 45,734.00 | Chester P. Fahn Jr. | Not Indicated | 375.00 | 105024 | 425.00 |
| 11 | 45,736.00 | Augustine Barkemeni | Not Indicated | 380.00 | 105029 | 5,000.00 |
| 12 | 45,743.00 | Chester P. Fahn Jr. | Not Indicated | 393.00 | 105040 | 1,370.00 |
| 13 | 45,747.00 | Chester P. Fahn Jr. | Not Indicated | 397.00 | 105044 | 2,695.00 |
| 14 | 45,754.00 | Ama Yar Gwaikolo | Not Indicated | 407.00 | 105055 | 1,750.00 |
| 15 | 45,757.00 | Chester P. Fahn Jr. | Not Indicated | 414.00 | 105067 | 118.00 |
| 16 | 45,775.00 | Anthony Daminah | Not Indicated | 433.00 | 105077 | 930.00 |
| 17 | 45,775.00 | Oliver G. Wilson | Not Indicated | 435.00 | 105081 | 1,692.00 |
| 18 | 45,782.00 | Chester P. Fahn Jr. | Not Indicated | 448.00 | 105095 | 690.00 |
| 19 | 45,796.00 | Joe S. Sackie | Not Indicated | 459.00 | 105109 | 120.00 |
| 20 | 45,804.00 | Gordon G. Garway | Not Indicated | 465.00 | 105115 | 1,200.00 |

| No. | Date | Payee | Purpose | Voucher # | Check # | Amount US$ |
|---|---|---|---|---|---|---|
| 21 | 45,804.00 | Gordon G. Garway | Not Indicated | 466.00 | 105116 | 350.00 |
| 22 | 45,821.00 | Ama Yar Gwaikolo | Not Indicated | 490.00 | 105140 | 15,000.00 |
| 23 | 45,828.00 | Chester P. Fahn Jr. | Not Indicated | 516.00 | 105166 | 210.00 |
| **Total Third-Party payments as at June 30, 2025** | | | | | | **46,834.00** |