



## Management Letter

### On the Financial Statements Audit of the Ministry of Finance and Development Planning (MFDP)

*For the Periods July 1, 2017 through to June 30, 2021*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
October 2024

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**ACRONYM**

<b>Acronyms</b>	<b>Meaning</b>
ACCA	Association of Chartered Certified Accountants
AG	Auditor General
BCP	Business Community Plan
CBL	Central Bank of Liberia
COBIT	Control Objective Information and Related
CFIP	Certified Forensic Investigation Professional
CFC	Certified Financial Consultant
CSA	Civil service Agency
COSO	Committee of Sponsoring Organizations of the
DSA	Daily Sustenance Allowance
DRP	Disaster Recovery Plan
DMA	Deputy Minister for Administration
GAC	General Auditing Commission
GoL	Government of Liberia
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
MFDP	Ministry of Finance and Development Planning
NASSCORP	National Social Security & Welfare Corporation
PFM	Public Finance Management
PPCC	Public Procurement and Concession Commission
PV	Payment Voucher
US\$	United States Dollar



Hon. Augustine Kpehe Ngafuan  
**Minister**  
Ministry of Finance and Development Planning  
Monrovia, Liberia

March 19, 2026

Dear Hon. Ngafuan:

**Re: Management Letter on the Financial Statements Audit of the Ministry of Finance and Development Planning (MFDP) for the fiscal periods July 1, 2017 through to June 30, 2021**

The Audit of the Financial Statements of the Ministry of Finance and Development Planning (MFDP) for the fiscal periods July 1, 2017 to June 30, 2021 was commissioned by the Auditor-General (AG) on September 27, 2022 under AG's mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

**INTRODUCTION**

The audit of MFDP's Financial Statements for the fiscal periods July 1, 2017 to June 30, 2021 was completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

**SCOPE AND DETERMINATION OF RESPONSIBILITY**

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

An audit includes:

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

The audit will also include an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulation which came to our attention and are applicable to financial matters.

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

The financial statements, maintenance of effective control measure and compliance with law and



regulation are the responsibility of the Accounting Officer. Our responsibility is to express our opinion on these financial statements.

#### **KEY MANAGEMENT PERSONNEL**

<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>Tenure</b>
1	Hon. Augustin Kpahe Ngafuan	Minister	2024 - present
2	Hon. Anthony Myers	Deputy Minister of Fiscal Affairs	2024 - present
3	Hon. Dehpue Zuo	Deputy Minister of Economic Management	2024 - present
4	Hon. Tanneh G. Brunson	Deputy Minister of Budget and Development	2013 - present
5	Hon. Elwood Nettey	Comptroller and Accountant General	2024 - present
6	Hon. Samuel D. Tweah, Jr.	Former Minister	2018 - 2023
7	Dr. Samora P. Z. Wolokolie	Former Minister of Fiscal Affairs	2018 - 2023
8	Hon. Augustine J. Flomo	Former Minister of Economic Management	2018 - 2023
9	Hon. Atty. Janga Kowo	Former Comptroller and Accountant General	2018 - 2023

#### **APPRECIATION**

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

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

Sincerely yours,

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

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Spending in Excess of Approved Budget

##### Criteria

1.1.1.1 Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as amended and restated 2019 states: "(1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister".

1.1.1.2 Regulation E.13 (1 and 2) of the PFM Act of 2009 as amended and restated 2019 states: "(1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority. (2) The accompanying memorandum shall explain how the extra costs became necessary".

##### Observation

1.1.1.3 During the audit, we observed that Management expended in excess of US\$18,742,206.00 of its approved budget for the fiscal periods under audit without evidence of a supplementary budget. **See Table 1 below and Annexure 1 for details:**

**Table 1: Spending in Excess of Approved Budget**

Fiscal Year	Reference	Approved Budget Amount US\$ (A)	Financial Statement Amount US\$ (B)	Variance US\$ (C=A-B)
2017/2018	Annexure 1a	10,726,760.00	12,073,345.00	(1,346,585.00)
2018/2019	Annexure 1b	16,423,990.00	19,791,271.00	(3,367,281.00)
2019/2020	Annexure 1c	3,016,108.00	15,697,863.00	(12,681,755.00)
2020/2021	Annexure 1d	13,186,717.00	14,018,225.00	(831,508.00)
<b>TOTAL</b>		<b>43,353,575.00</b>	<b>61,580,704.00</b>	<b>(18,227,129.00)</b>

##### Risk

1.1.1.4 Management may be non-compliant with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.

1.1.1.5 Spending in excess of approved budget may lead to misappropriation of public funds. This may impair the achievement of the entity's objectives.

1.1.1.6 Facilitating unauthorized excess expenditure to GoL entities may lead to under disbursement of approved budgetary allotments to other GoL entities.

1.1.1.7 Unauthorized excess disbursement over approved budgetary allotment may lead to misappropriation and misapplication of public funds.

### **Recommendation**

- 1.1.1.8 Management should account for the expenditure in excess of the approved budget limits without evidence of supplementary and /or recast budget for the periods.
- 1.1.1.9 Management should ensure that expenditures are within the approved budget limits at all times and where applicable, supplementary and /or approval for recast budget is acquired. Copies of the necessary documentation should be maintained for administrative and audit purposes.
- 1.1.1.10 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.1.1.11 Periodic budget performance reports should be adequately documented and filed to facilitate future review.
- 1.1.1.12 Going forward, Management should ensure that all excess expenditure exceeding authorized limits are approved by the National Legislature.
- 1.1.1.13 Management should ensure that a Statement of Excess Expenditure is prepared and submitted to the National Legislature in a timely manner consistent with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.
- 1.1.1.14 Evidence of a Statement of Excess Expenditure should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.1.1.15 *Management would like to clarify that the amounts cited as excess spending during the fiscal years 2017/2018, 2018/2019, 2019/2020 and 2020/2021 were actually additional funding. It is important to remember that transactions on the IFMIS systems cannot be processed without allocations. For these years, the Ministry's initial budget was adjusted. Refer to **BFU Exhibit 1** of the IFMIS Free Balance Transfer Detail Report.*

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

- 1.1.6.1 Management's assertions did not adequately address the issue raised. Management did not provide evidence of an approved recast budget by the National Legislature comprehensively cataloging the adjusted increment to the MFDP's budget as catalogued in Table 1 above. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.6.2 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. An automated linkage should be created between the IFMIS general ledgers and the financial statements to facilitate the completeness and accuracy of the financial statements.



1.1.6.3 Further, Management should perform periodic (monthly) reconciliation between the IFMIS General Ledgers and the financial statements. Variances identified should be documented, investigated and adjusted where applicable. Periodic reconciliation reports should be adequately documented and filed to facilitate future review.

## 1.1.2 Discrepancy between the Final Budget and Fiscal Outturn Report

### Criteria

1.1.2.1 Regulation C.8 (2 and 3g) of the PFM Act of 2009 as amended and restated 2019 states: "(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. (3g) ensure that all books of accounts under his or her control are correctly posted and kept up-to-date".

### Observation

1.1.2.2 During the audit, we observed that Management expended in excess of its approved final budget without evidence of approval by the National Legislature for the following fiscal periods: **See Table 2 below for details:**

**Table 2: Discrepancy between the Final Budget and Fiscal Outturn Report**

Fiscal Year	Reference	Amount per Final Budget US\$ A	Amount per Fiscal Outturn Report US\$ B	Variance US\$ C=(A-B)
2017/2018	2019/2020 - Budget Book	24,400,112.00	44,289,114.00	-19,889,002.00
<b>TOTAL</b>		<b>24,400,112.00</b>	<b>44,289,114.00</b>	<b>-19,889,002.00</b>

1.1.2.3 Further, we observed no evidence that Management performed periodic reconciliation between its final budget and the fiscal outturn report generated and reported by the MFDP for the period under audit.

### Risk

1.1.2.4 Management may be non-compliant with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.

1.1.2.5 Spending in excess of approved budget may lead to misappropriation of public funds. This may impair the achievement of the entity's objectives.

1.1.2.6 Facilitating unauthorized excess expenditure to GoL entities may lead to under disbursement of approved budgetary allotments to other GoL entities.

1.1.2.7 Unauthorized excess disbursement over approved budgetary allotment may lead to misappropriation and misapplication of public funds.



### **Recommendation**

- 1.1.2.8 Management should account for the expenditure in excess of the approved budget limits without evidence of supplementary and /or recast budget for the periods.
- 1.1.2.9 Management should ensure that expenditures are within the approved budget limits at all times and where applicable, supplementary and /or approval for recast budget is acquired. Copies of the necessary documentation should be maintained for administrative and audit purposes.
- 1.1.2.10 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.1.2.11 Periodic budget performance reports should be adequately documented and filed to facilitate future review.
- 1.1.2.12 Going forward, Management should ensure that all excess expenditure exceeding authorized limits are approved by the National Legislature.
- 1.1.2.13 Management should ensure that a Statement of Excess Expenditure is prepared and submitted to the National Legislature in a timely manner consistent with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.
- 1.1.2.14 Evidence of a Statement of Excess Expenditure should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.1.2.15 *During the Period under review, Management assert that there was no excess expenditure, the ministry original appropriation was 49,060,732.12 for FY 2017/2018 but later revised to 44,999,359.12, Forty-three million seven hundred thirty-five thousand was allotted while forty-three million seven hundred twenty thousand seven hundred eighty-three dollars was approved in financial budget for the Ministry for FY' 2017/2018. The amount of 24,400,111.10 reported as final budget on the financial statement represent the total core budget of the Ministry excluding the debt component which are national obligation, that was included in the Ministry budget. **See Tables below for details:***



Ministry of Finance and Development Planning  
Code Budget

Row Labels	Sum of REVISED APPROPRIATION	Sum of ALLOTMENT	Financial BUDGET
211 - Wages and Salaries	9,623,537.14	9,623,536.23	9,623,536.23
221 - General Expenses	1,907,147.97	1,904,441.75	1,904,441.75
222 - Other Expenses	1,710,886.40	1,710,878.44	1,710,878.44
223 - Insurance, Licenses and Charge	83,702.25	83,702.25	83,702.25
224 - Arrears(Budgeting)	254,900.00	254,893.17	254,893.17
232 - Fixed Assets Acquisition	323,544.57	323,544.57	323,544.57
241 - To Non-residents	1,807,618.40	1,807,618.40	1,807,618.40
242 - To Residents	1,171,277.54	1,171,277.54	1,171,276.96
262 - To International Organizations	1,634,489.31	1,632,740.30	1,632,740.30
263 - To other General Government Un	6,108,537.85	5,565,796.03	5,550,796.03
264 - Transfers to Non-Gov.Organs.	192,500.45	192,500.00	192,500.00
265 - Transfers to Private Entities	144,183.30	144,183.00	144,183.00
	<b>24,962,325.18</b>	<b>24,415,111.68</b>	<b>24,400,111.10</b>

Fiscal\_Year

20172018  
(Multiple Items)

Debt Component

Budget_Class	Sum of REVISED APPROPRIATION	Sum of ALLOTMENT	Financial Budget
413 - Loans	3,579,080.42	3,579,079.56	3,579,079.56
417 - Miscellaneous accounts payable	84,484.63	84,484.63	84,484.63
423 - Loans	11,909,572.46	11,193,211.30	11,193,211.30
427 - Other Accounts Payable	4,463,896.43	4,463,896.43	4,463,896.43
<b>Grand Total</b>	<b>20,037,033.94</b>	<b>19,320,671.92</b>	<b>19,320,671.92</b>

1.1.2.16 *Additionally, we have attached a copy of the budget book for 2017/2018; please also note that the amount reported in the budget book in 2019/2020 as actual is the sum of the total amount revised appropriated for FY 2017/2018 under the Ministry of Finance and Development Planning and not expenditure. Expenditure numbers are reported on the financial statement and not the budget book.*

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

1.1.2.17 Management's assertions did not adequately address the issues raised. Domestic and external debts payments should be adequately budgeted for in the Ministry's budget and comprehensively reported in the entity's financial statements. If these expenditures were not initially budgeted for in the Ministry's budget, all processes and documentations for inclusion in the Ministry's recast budget including subsequent approval by the National Legislature should have been implemented, as recommended above. However, evidence of the required documentations and approval of the excess expenditures were not made available for audit purposes.

1.1.2.18 Further, documentations for debts payments included in Management's response above were also not made available for audit purposes. The debts payments were also not reported in the Ministry's FY 2017/2018 financial statements. Therefore, we maintain our findings and recommendation. We will follow-up on the implementation of our recommendations during subsequent audit.



### 1.1.3 Discrepancy among Financial Statements, IFMIS Ledgers and Fiscal Outturn Reports

#### Criteria

- 1.1.3.1 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".
- 1.1.3.2 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

- 1.1.3.3 During the audit, we observed that the IFMIS Ledger, Fiscal Outturn Report and the Financial Statements used for the recording of financial transactions of the entity did not reconcile. **See Table 3 below for details:**

**Table 3: Discrepancy among Financial Statements, IFMIS Ledger and Fiscal Outturn Reports**

No.	Fiscal Year	Amount per Financial Statement US\$	Amount per IFMIS General Ledgers US\$	Amount per Fiscal Outturn Report US\$
1.	2017/2018	23,573,649.00	23,296,464.00	44,289,114.00
2.	2018/2019	60,625,817.00	60,780,171.30	62,921,856.00
3.	2019/2020	75,533,543.00	76,502,480.00	76,502,478.00
4.	2020/2021	114,652,143.80	112,557,589.33	62,921,856.00
<b>TOTAL</b>		<b>274,385,152.80</b>	<b>273,136,704.63</b>	<b>246,635,304.00</b>

#### Risk

- 1.1.3.4 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

- 1.1.3.5 Management should account for the variances among the IFMIS Ledgers, the Fiscal Outturn Reports and the Financial Statements on an annual basis, as part of Management's response to this Management Letter.
- 1.1.3.6 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

### **2017/2018 Response**

- 1.1.3.7 *The variance between the actual expenditure in the financial statements of US\$23,573,649, and the GAC Queried GL, which indicates US\$23,296,464, thus resulting to the difference of US\$277,202.01. This variance is attributed to an overstatement and the omission of the line detailed in the table below thereby leading to the restatement of the Financial Statement.*

COE	GL	FS	Difference
Honorarium	54,922.00	59,950.00	5,028.00
Transportation Reimbursement	1,340.00	8,030.00	6,690.00
G/S			
Foreign Travel Mea	182,238.27	182,774.00	535.73
Stationery	49,663.00	85,775.00	36,112.00
Printing	85,274.62	85,995.00	720.38
OPS (Omitted)	160,894.00	-	(160,894.00)
Interest Payment			
Int. on Other Domestic Debt	761,845.93	1,150,858.00	389,012.07
<b>Difference</b>	<b>1,296,177.82</b>	<b>1,573,382.00</b>	<b>277,204.18</b>

### **2018/2019 Response**

- 1.1.3.8 *Our reconciliation done between the Actual Expenditure reported in the Financial Statement of US\$60,625,817 Verses GL amount of US\$60,780,171.30 which GAC reported a variance occurred as the result of the omission of Operational Expense of US\$378,174.47 and overstatement of US\$223,820.17 on PFM Reform Secretariat expenditure.*
- 1.1.3.9 *However, management like to state that overstatement in US\$223,820.17 affecting the PFM Reform Secretariat expenditure figure in the financial was as a result of reversal made at the adjustment period of the accounting year by the CAG. We request to restate Financial Statement and add omission of operational expense line.*

### **2019/2020 Response**

- 1.1.3.10 *The general ledger recorded a total of US\$76,502,480 reported by the GAC, while the financial statement showed a total of US\$75,533,543. The discrepancy between the general ledger and the financial statement was US\$968,937 United States Dollars. However, this was due to the fact that the operation account spending figures of*

*US\$968,937 was not included in the total expenditure that was stated in the statement, which resulted in the disparity of US\$968,937. We request a restatement of the Financial.*

**2020/2021 Response**

- 1.1.3.11 *The difference between the actual expenditure of US\$114,652,143.8 and US\$112,557,589.33 amounts to US\$2,094,554.43. We attribute this discrepancy to overstatements in the ECOWAS Trade Levy by US\$1,681,999.59, Domestic Travel DSA by US\$2,481.00, and operational expenses by US\$330,663.43. The overstatements resulted from reversals made during the adjustment period of the financial year by the CAG. We generate the financial statement two months after the budget year concludes, while the CAG window period lasts for three months post-budget year. The CAG reverses transactions that remain unpaid after ninety days at the conclusion of the adjustment period. The financial statements we prepared and submitted was overstated by US\$2,094,554.43 for the year 2020/2021 due to these reversals.*

**Auditor General's Position**

- 1.1.3.12 We acknowledge Management's acceptance of our findings relative to the variances among the financial statements, IFMIS ledgers and fiscal outturn reports comprehensively catalogued in Table 3 above. However, Management did not provide copies of documentations for adjustments and the restated financial statements for audit purposes. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.3.13 Further, Management should submit the documentations for adjustments and the restated financial statements to the Office of the Auditor General for validation, within ninety (90) days after the issuance of this report to the National Legislature. This will ensure that the opening and closing balances of financial statements for subsequent periods are fairly stated.

**1.1.4 Off-Budget Expenditures**

**Criteria**

- 1.1.4.1 Regulation E (8) (1) – (4) of the Public Financial Management Act of 2009 as amended and restated 2019 provides that where circumstances arise in which the operating requirements of a Government Agency make it necessary to rearrange the budget provision for sub-heads, items or sub-items or sub-sub-items within the ambit of a single head, savings under one classification may be utilized to provide for extra expenditure under another without affecting the total funds to be disbursed from the head.
- 1.1.4.2 The Deputy Minister of Budget, may approve reallocation of appropriations to promote efficiency in government, to support changes in program enacted by the National Legislature to take effect during the year, and to provide resources he deems necessary for an agency to render essential basic services subject to the following rules:
- 1.1.4.3 Except for donor funded projects, in sub regulation 2(g) below, no reallocation may be made from the budget of one government agency to the budget of another government



agency, except to address national emergencies about which the President had notified the National Legislature;

- a) Notwithstanding (a) above, request for reallocation between government agencies may be approved up to a total for the year not exceeding twenty (20) percent of the appropriation for the agency from which the transfer is to be made or twenty (20). Any such transfer exceeding twenty (20) percent of the donor agency's appropriation must meet the approval of the Minister and the head of the donor agency.
- b) No reallocation may be made from or into Personnel Expenditure from other major object of expenditure or between items within personnel expenditure without written approval of the Civil Service Agency.
- c) No reallocation may be made to increase amounts appropriated for foreign travel or purchase of vehicles.
- d) The rules in (a), (b) and (c) apply to all reallocations approved by the Deputy Minister of the Budget.
- e) Request by an agency head for reallocations within an agency and within a program, within goods and services or within capital expenditure shall be approved without limitations.
- f) Request by an agency head for reallocations within a program between objects of expenditure may be approved without limitation.
- g) Request for reallocations within an agency between programs may be approved up to a total for the year not exceeding ten (10) percent of the original appropriation for the program from which the reallocation is to be made.
- h) The Minister shall include cumulative reallocations in the quarterly fiscal outturns to be submitted to the Legislature in accordance with Section 26(2) of the Public Finance Management Act, 2009.

1.1.4.4 The Deputy Minister for Budget may delegate the power to authorize reallocations to head of government agency, stating clearly the terms and extent of such delegation.

1.1.4.5 For a reallocation proposal to be approved, the following conditions should be met:

- a) On approval of a reallocation application by the Minister, the Deputy Minister for Budget or sector minister, a reallocation warrant shall be issued by the Minister or Sector Minister or any authorized officer.
- b) Reallocation warrants shall be numbered consecutively within the year of issue and shall be laid before Legislature prior to the subsequent budget.
- c) Sufficient funds must exist in the budget from which they will be transferred to cover the cost of the increased expenditure in the receiving budget, after recognition of planned expenditure and future commitments.
- d) Controls must be in place to restrain expenditure in the reduced budget to the new level.
- e) If more than one budget holder is involved, all budget holders must agree to the proposed reallocation.
- f) The expenditure for the proposed activity or event must not conflict with the priorities and objectives of the institution.



- 1.1.4.6 The head of Government Agency or the Accounting Officer must maintain a register of all budgetary reallocations.

**Observation**

- 1.1.4.7 During the audit, we observed that Management facilitated significant off-budget expenditures amounting to US\$3,750,424.00 for the fiscal periods under audit. **See Table 5 below for details:**

**Table 5: Off-Budget Expenditures**

<b>Fiscal Year</b>	<b>COA</b>	<b>Budget line-Items</b>	<b>National Budget</b>	<b>Financial Statements US\$</b>
2019/2020	417103	Compensation Order by Courts	N/A	200,000.00
2019/2020	423101	Multi-lateral Loan	N/A	1,116,178.00
2019/2020	423102	Bi- lateral Loans	N/A	1,377,774.00
2020/2021	221504	Repairs & maintenance, machinery, furniture, equipment	N/A	147,965.00
2020/2021	221618	Computer supplies -parts & cabling	N/A	50,000.00
2020/2021	224112	Libtelco arrears	N/A	834,920.00
2020/2021	312203	Furniture & fixture	N/A	22,927.00
2020/2021	312309	Other ICT equipment	N/A	660.00
<b>TOTAL</b>				<b>3,750,424.00</b>

**Risk**

- 1.1.4.8 Facilitating off-budgetary expenditures may lead to misappropriation and misapplication of public funds. This may impair the achievement of the budget's objectives.
- 1.1.4.9 Facilitating unauthorized disbursement over the approved appropriation in the National Budget may lead to under disbursement of approved budgetary appropriation to other GoL entities.
- 1.1.4.10 Management may be non-compliant with Regulation E (8) (1) – (4) of the Public Financial Management Act of 2009 as amended and restated 2019.

**Recommendation**

- 1.1.4.11 Management should provide substantive justification for facilitating off-budget expenditures cataloged in the table above.
- 1.1.4.12 Management should account for the off-budget expenditures disbursed without legislative approval for the period.
- 1.1.4.13 Management should ensure that expenditure is within the approved budget limits at all times and where applicable, supplementary and /or approval for recast budget is acquired. Copies of the necessary documentation should be maintained for administrative and audit purposes.

1.1.4.14 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.

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

#### Management's Response

1.1.4.16 Management asserts that amount US\$3,750,424 mentioned in Table 5 under "Financial Statement Column" in the fiscal years 2019/2020 & 2020/2021 were transfers made to process approved payment requests considered as priorities. **See BFU Exhibit 1.**

#### Auditor General's Position

1.1.4.17 Management's assertions did not adequately address the issue raised. Management provided no evidence that expenditure catalogued in Table 5 above was approved by the National Legislature through recast budgets. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.5 Variance between the Financial Statement Figures and the IFMIS General Ledgers

#### Criteria

1.1.5.1 PFM Regulations A. 3 (1&2) 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. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20."

#### Observation

1.1.5.2 During the audit, we observed variances amounting to US\$2,363,648.00 between various component expenditures reported in the Financial Statements and the General Ledgers from the IFMIS system. **See Table 7 below for details:**

**Table 7: Variance between the Financial Statement Figures and the IFMIS General Ledger**

Fiscal Year	Description	IFMIS General Ledger US\$ (A)	Financial Statement US\$ (B)	Variance US\$ (C=A-B)
2017/2018	ICT infrastructure, Hardware, Networks Facilities	299,906.00	294,152.00	5,754.00
2018/2019	Others	7,786,452.00	5,532,090.00	2,254,362.00



Fiscal Year	Description	IFMIS General Ledger US\$ (A)	Financial Statement US\$ (B)	Variance US\$ (C=A-B)
<b>TOTAL</b>		<b>8,086,358.00</b>	<b>5,826,242.00</b>	<b>2,260,116.00</b>

### Risk

- 1.1.5.3 The completeness and accuracy of expenditures may not be assured; therefore, the financial statements may be misstated.
- 1.1.5.4 Expenditures may be understated or overstated and Management may not fully account for all activities of the entity.

### Recommendation

- 1.1.5.5 Management should account for the variances between the IFMIS General Ledger and the financial statements for various component expenditures catalogued in Table 7 above and adjust the financial statements where applicable, as part of Management's response to this Management Letter.
- 1.1.5.6 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. An automated linkage should be created between the general ledgers and the financial statements to facilitate the completeness and accuracy of the financial statements.
- 1.1.5.7 Further, Management should perform periodic (monthly) reconciliation between the IFMIS General Ledgers and the financial statements. Variances identified should be documented, investigated and adjusted where applicable. Periodic reconciliation reports should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.1.6.4 *Management asserts that the reconciliation done between both General Ledger and Financial Statements shows consistencies in the numbers except for "OTHER "(debts payment) which was understated. See IFMIS Free balance General Ledger Report to be compared to Financial Statements. BFU Exhibit 4.*

### Auditor General's Position

- 1.1.6.5 Management's assertions did not adequately address the issue raised. The ledger balance for "ICT infrastructure, Hardware, Networks Facilities" presented for audit purposes showcased a balance of US\$299,906, while the financial statements reported balance of US\$294,152.00, resulting in the variance of US\$5,754.00, as indicated in Table 7 above. Further, Management provided no evidence of subsequent adjustment to the general ledger for "ICT infrastructure, Hardware, Networks Facilities" as recommended. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.



## 1.1.6 Non-Explanation of Material Variances

### Criteria

1.1.6.6 Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017) provides that an entity that makes publicly available its approved budget(s) shall present a comparison of the budget amount for which it is held publicly accountable and actual amounts either as a separate additional financial statement of an additional budget columns in the Statement of Cash Receipts and Payments. The comparison of budget and actual amount shall present separately for each level of legislative oversight:

- By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and cross reference to those documents is made in the notes.

### Observation

1.1.6.7 During the audit, we observed that Management did not include explanatory notes to the financial statements on the material variances between the Statement of Comparison of Budget and Actual Amounts. **See Table 9 below for details:**

**Table 9: Non-Explanation of Material Variances**

Fiscal Year	Account Title	Approved Budget US\$	Final Approved Budget US\$	Actual US\$	Variances US\$
2017/2018	Goods and Services Consumed	2,385,645.00	3,950,097.00	4,472,262.00	(522,165.00)

### Risk

1.1.6.8 Failure to include notes or explanations for material variance between budgetary amounts and actual amounts in the financial statements may impair informed decision making by users of the financial statements.

1.1.6.9 Full disclosure and fair presentation of the financial statements may be impaired.

### Recommendation

1.1.6.10 Management should adjust the financial statements to include full and adequate disclosures for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017), as part of Management's response to this Management Letter.

1.1.6.11 Going forward, Management should ensure that full and adequate disclosures are made for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017).

### Management's Response

1.1.6.12 *Our total goods and services were inflated by US\$583,068.5 on the following spending lines, according to our reconciliation: US\$545,702.5 in operational expenses as a result of*



double recording. Reversal was the cause of US\$36,111.5 for stationery, US\$720.38 for printing, and US\$535.73 for foreign trip-means of travel. Following these modifications, our new expenditure total for goods and services will be US\$3,889,193.5, falling within our approved final budget of US\$3,950,097. Please find the FY 2017–2018 budget Table and our internal budget execution ledger for our Ministry of Finance & Development Planning-controlled internal operating fund attached.

### Auditor General's Position

1.1.6.13 Management's assertions did not adequately address the issues raised. Management provided no evidence of adjustments to the financial statements to include explanation for material variance amounting to US\$522,165.00 catalogued in Table 9 as recommended. Management also did not provide evidence of documentations, reversals and schedules as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.7 Payments without Evidence of Adequate Supporting Documents

#### Criteria

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

1.1.7.2 Also, paragraph 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

1.1.7.3 During the audit, we observed that Management made payments for various transactions amounting to US\$9,721,497.59 without evidence of supporting documents, such as payment vouchers, invoices/receipts, delivery notes, contracts, etc. **See Table 10 below and Annexure 2 for details.**

**Table 10: Payments without Evidence Adequate Supporting Documents**

Fiscal Year	Description	Annexure Ref #	Amount US\$
2018/2019	MFDP OPERATION	2a	94,732.74
2019/2020	MFDP OPERATION	2b	9,027,573.34
2020/2021	MFDP OPERATION	2c	599,191.51
<b>TOTAL</b>			<b>9,721,497.59</b>

### Risk

- 1.1.7.4 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.1.7.5 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.
- 1.1.7.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.7.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

### **Recommendation**

- 1.1.7.8 Management should fully account for expenditures made without supporting documents.
- 1.1.7.9 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.
- 1.1.7.10 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

### **Management's Response**

- 1.1.7.11 *Transactions were raised but never paid and reversal were not made in the IFMIS Free Balance system.*

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

- 1.1.6.1 Management's assertions were not supported by documentary evidence. Management did not provide evidence of bank statements and other relevant supporting records to ascertain that expenditures raised in the IFMIS ledger were not actually executed. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.1.6.2 Going forward, Management should perform periodic reconciliation between the IFMIS ledger and the bank statements to validate the completeness, existence and accuracy of receipts and expenditures. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliations should be adequately documented and filed to facilitate future review.
- 1.1.6.3 Management should ensure that journal vouchers detailing the accounting entries for each



reversal is created, with references including unique identifiers (payment vouchers codes, check numbers, entity's codes, account balance codes, etc.) and approved for reconciliation and review purposes. Evidence of approved journal vouchers, corresponding payment vouchers and bank statements should be adequately documented and filed to facilitate future review. These controls will facilitate the seamless review and reconciliation of journal entries.

### 1.1.8 Non-Remittance of Social Security's Contributions

#### Criteria

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

#### Observation

- 1.1.8.2 During the audit, we observed no evidence of payment receipts for remittances of employees' and employer's social security contributions made to NASSCORP for the fiscal periods under audit. **See Table 11 below and Annexure 3 for details:**

**Table 11: Non-Remittance of Social Security's Contributions**

Fiscal Year	Annexure	Gross Payroll US\$	Employees' Contributions 4% US\$	Employer's Contributions 6% US\$	Total Contributions US\$
2017/2018	3a	9,575,037.03	383,001.48	574,502.22	957,503.70
2018/2019	3b	9,737,877.45	389,515.09	584,272.65	973,787.74
2019/2020	3c	5,665,773.93	226,630.97	339,946.42	566,577.39
2020/2021	3d	8,363,050.22	334,522.01	501,783.01	836,305.02
<b>TOTAL</b>		<b>33,341,738.63</b>	<b>1,333,669.55</b>	<b>2,000,504.30</b>	<b>3,334,173.85</b>

#### Risk

- 1.1.8.3 Management may be non-compliant with NASSCORP General Regulations of 2017 which may result to penalties and fines.
- 1.1.8.4 Potential retirees of the entity may be denied required pension benefits due to non-compliance with the regulation.
- 1.1.8.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

#### Recommendation

- 1.1.8.6 A payment plan should be crafted and agreed between MFDP 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).

- 1.1.8.7 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.1.8.8 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.
- 1.1.8.9 Going forward, monthly remittance of Social Security's contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' Social Security accounts respectively.
- 1.1.8.10 Evidence of remittances of monthly social security contribution and all relevant supporting records should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.1.8.11 *Management wish to inform the auditor that during the period under review, deduction of Income Taxes and Employees Social Security contributions were done at GOL Consolidated level and salaries were paid net to employees.*

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

- 1.1.8.12 Management's assertion did not adequately address the issue raised. Management provided no evidence of payments of employer's and employee's contributions to NASSCORP for the periods under audit as required. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.1.9 Non-Withholding and Remittance of GST**

#### **Criteria**

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

#### **Observation**

- 1.1.9.2 During the audit, we observed no evidence of Goods & Services tax (GST) being withheld and remitted into GoL Revenue Account for the purchase of goods and services. **See Annexure 5 for details.**

**Table 12: Non-Withholding and Remittance of GST**

Fiscal Year	Annexure Ref	Amount US\$
2018/2019	5a	15,160.00
2020/2021	5b	13,523.50
<b>TOTAL</b>		<b>28,683.50</b>

**Risk**

- 1.1.9.3 Failure to withhold and remit GST may deny GoL of the much-needed tax revenue.
- 1.1.9.4 Management may be non-compliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result into penalties for late payment and failure to pay. See Section 52 of the Revenue Code of Liberia as referenced above.
- 1.1.9.5 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

**Recommendation**

- 1.1.9.6 Management should provide substantive justification for not withholding and remitting GST.
- 1.1.9.7 Going forward, Management should withhold GST on all goods and services procured and facilitate full remittance of GST to the general revenue account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended and restated 2011.
- 1.1.9.8 Evidence of remittance including original copies of flag receipts and other supporting records should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.9.9 *The auditors are respectfully informed that payments for goods and services are made net of taxes and handled at the GOL Consolidated level rather than by the MFDP Administration. That is, transactions are processed through the Accounting Services unit, and taxes are deducted and remitted from payments made for goods and services directly to GOL consolidated accounts by the Comptroller and Accountant General department.*

**Auditor General's Position**

- 1.1.9.10 Management's assertions were not supported by documentary evidence. Management provided no evidence that Goods & Services tax (GST) for the procurement of goods and services were withheld and subsequently remitted into GoL Revenue Account as required. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.10 Non-Preparation of Monthly Bank Reconciliations**

**Criteria**

- 1.1.10.1 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 the reference to the date and number thereof."

### Observation

- 1.1.10.2 During the audit, we observed that Management maintained and operated a total of seven (7) bank accounts for the fiscal periods under audit. However, we observed no evidence of monthly bank reconciliations for five (5) of the bank accounts for fiscal years 2017/2018 and 2020/2021. **See Table 13 below for details:**

**Table 13: Non-Preparation of Monthly Bank Reconciliations**

No.	Account Number	Account Description	Currency
1	160-200-3526	Public Sector Modernization DLI Account	USD
2	150-202-2028	ECONAT Operation Fund	USD
3	02-205-300002-23	Strengthening National Capacity for Development Efficiency	USD
4	160-200-3598	GRP Implementation Account	USD
5	160-100-4158	GRP Implementation Account	LRD

### Risk

- 1.1.10.3 Failure to prepare monthly bank reconciliation statements may lead to untimely detection of errors, omissions or fraud.
- 1.1.10.4 Management may not fully account for its transactions.
- 1.1.10.5 Cash balances may be misstated.

### Recommendation

- 1.1.10.6 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated account established by the entity.
- 1.1.10.7 Evidence of monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.1.10.8 *Management declares that the PSMP DLI USD account was opened on September 12, 2018 in (FY'2018/2019) with its first deposit of US\$200,000.00 order then FY'2017/2018. See attached Letter of Request to open account, deposit slip. GRPB USD Accounts was opened in FY'2019/2020 rather than 2017/2018. Meanwhile, the bank reconciliation for ECONAT & C4DE are attached for review. **BFU Exhibit 6.***

### Auditor General's Position

- 1.1.10.9 We acknowledge Management's subsequent submission of some monthly bank reconciliation statements in the **BFU Exhibit 6**, after our audit execution. However, the documents provided did not include monthly bank reconciliations for PSMP DLI USD and GRPB Implementation Bank Accounts (USD and LRD). Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.11 Irregularities Associated with Fuel Management

#### Criteria

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

#### Observation

1.1.11.2 During the audit, we observed the following irregularities associated with vehicle fuel management:

- No evidence of approved fuel management policy,
- No evidence of fuel distribution and consumption logs,
- Unutilized fuel was not duly accounted for. **See Table 14 below for details:**

**Table 14: Irregularities Associated with Fuel Management**

No.	Fiscal Year	COA	Expenditure Line Items	Amount US\$
1.	2017/2018	221401 & 221402	Fuel and Lubricant for Vehicles and Generators	354,830.00
2.	2018/2019	221401 & 221402	Fuel and Lubricant for Vehicles and Generators	262,927.00
3.	2019/2020	221401 & 221402	Fuel and Lubricant for Vehicles and Generators	46,655.00
4.	2020/2021	221401 & 221402	Fuel and Lubricant for Vehicles and Generators	66,991.00
<b>TOTAL</b>				<b>731,403.00</b>

#### Risk

1.1.11.3 Fuel procured may not be based on actual consumption.

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

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

#### Recommendation

1.1.11.6 Management should account for fuel procured and distributed without evidence of fuel consumption and distribution logs catalogued in Table 13, as part of Management's response to this Management Letter.

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

1.1.11.8 Management should maintain fuel consumption and distribution logs to aid the entity manage cost and inform future purchase.



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

**Management's Response**

1.1.11.10 *Management like to state that the Fuel Management Policy is being developed, and attached are the fuel consumption and distribution log. **BFU Exhibit 7.***

**Auditor General's Position**

1.1.11.11 We reviewed the documents subsequently submitted by Management, after our audit execution. Therefore, we have adjusted the transactions without supporting documents to (US\$731,403.00 – US\$544,750) US\$186,652.64 to be accounted for by Management. We therefore maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.12 No Evidence of Periodic Budget Performance Report**

**Criteria**

1.1.12.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states "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**

1.1.12.2 During the audit, we observed no evidence of periodic Budget Performance Reports for the fiscal year 2017/2018 as required by the PFM Act of 2009 as amended and restated 2019.

**Risk**

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

1.1.12.4 Management may be non-compliant with Regulations A.1 of the PFM Act of 2009 as amended and restated 2019.

**Recommendation**

1.1.12.5 Management should facilitate timely preparation and approval of Quarterly and Annual Budget Performance Reports in line with the PFM Act of 2009 as amended and restated 2019. Periodic Budget Performance Reports should be submitted to the National Legislature as required.

1.1.12.6 Evidence of approved Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.



### **Management's Response**

1.1.12.7 Management affirms that there was Annual Budget Performance Report done for the period mentioned FY'2017/2018. **See attached BPR-FY'2017/2018. BFU Exhibit 8.**

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

1.1.12.8 We acknowledge Management's subsequent submission of budget performance report for FY 2017/2018 provided in the **BFU Exhibit 8** after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation, financial reporting and document management. Going forward, Management should ensure that documents requested for audit purposes are provided in a timely manner.

### **1.1.13 Irregularities Associated with Procurement Management**

#### **Criteria**

- 1.1.13.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated 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".
- 1.1.13.2 Section 27 (g) of the PPCC Act of 2005 as amended and restated 2010 required that the Procurement Committee shall provide quarterly reports of the procurement activities of the procuring entity to the Public Procurement & Concession Commission.

#### **Observation**

- 1.1.13.3 During the audit, we observed the following irregularities associated with the procurement system:
- There was no functional procurement committee evidenced by the absence of meeting minutes and periodic reports.
  - There was no evidence of periodic (quarterly and annual) procurement activities reports submitted to PPCC.
  - No evidence of application of the requisite methods (Request for quotation, national competitive bidding, sole sourcing, restricted bidding, international competitive bidding, etc.), where applicable.

#### **Risk**

- 1.1.13.4 In the absence of a functional procurement committee, the entity's procurement processes may be discretionary.
- 1.1.13.5 In the absence of quarterly and annual procurement activities reports, Management may



be in noncompliance with the PPC Act of 2005 as amended and restated 2010.

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

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

#### **Recommendation**

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

1.1.13.9 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.

1.1.13.10 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.

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

#### **Management's Response**

1.1.13.12 *During the period under review, the Management of MFDP prepared and submitted Procurement Plans that were approved by PPCC: Please see exhibits attached: **Exhibit 9A1-9A4** for procurement plan from 2017 July 1- June 30, 2021, **Exhibit 9B** procurement committee Meeting Minutes from 2017 July 1- June 30, 2021 and Quarterly reports mark as **Exhibit 9c**.*

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

1.1.13.13 We acknowledge Management's subsequent submission of approved annual procurement plans, procurement committee meeting minutes and periodic procurement activities reports for the periods under audit, after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation, financial reporting and document management. Going forward, Management should ensure that documents requested for audit purposes are provided in a timely manner.

### **1.1.14 Irregularities Associated with Fixed Assets Management**

#### **Criteria**

1.1.14.1 Regulations V.4 (2) of the PFM Act of 2009 and restated 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**

1.1.14.2 During the audit, we observed that 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;
- Fixed assets register was not regularly updated;
- There was no evidence of periodic physical verification of assets by Management
- Some fixed assets of the entity were not coded;
- There was no evidence of movement of assets form;
- Fixed assets within a given vicinity were not clearly displayed in the fixed assets log as required by the PFM;
- Some assets in the fixed Assets register were not seen physically during our verification exercise. **See Annexure 4 for details.**

### **Risk**

1.1.14.3 Fixed Assets Register may be misstated (over/understated).

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

1.1.14.5 Fixed assets may be removed from the entity’s premises without authorization, misappropriated, subjected to personal use or theft.

1.1.14.6 The lack of assets 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.

1.1.14.7 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.

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

1.1.14.9 Also, fixed assets may be exchanged or stolen when not coded.

### **Recommendation**

1.1.14.10 Management should account for fixed assets not physically verified catalogued in **Annexure 4** as part of Management’s response to this Management Letter.

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

1.1.14.12 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 assets.



- 1.1.14.13 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.
- 1.1.14.14 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.
- 1.1.14.15 The Fixed Assets Register should be updated periodically to reflect the entity's assets.
- 1.1.14.16 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.1.14.17 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Assets Register should be updated to reflect the change in location of assets.

#### **Management's Response**

- 1.1.14.18 The fixed Assets Management Policy development is in process;  
The fixed assets register now contain all the relevant columns;  
Fixed assets register was not regularly updated due to its partial existence by then prior to the establishment of the Assets Management Section at the end of 2019;*
- 1.1.14.19 Periodic physical verification of assets by Management is now in place;  
Some fixed assets of the entity that were not coded and we are now working with the GSA Team assigned here to ensure that our fixed assets are coded;  
There are now assets movement Forms that is currently being used;  
Fixed assets within a given vicinity are now clearly displayed in the fixed assets log as required by the PFM.*
- 1.1.14.20 For some assets in the fixed Assets register that were not seen physically during your verification exercise in **Annexure 4**, we are pleased to refer you to some of our disposal records given to you. Some of the assets were not seen because the GAC Audit Team did not cover all of the Fifteen (15) counties where some of our staff are assigned. Some offices staff were attending workshops and training in and out of Liberia and were not seen when the GAC Audit Team went to their offices to verify their assigned assets. **BFU Exhibit 10.***

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

- 1.1.1.1 Fixed assets catalogued in Annexure 4 not physically verified during our audit execution were not made available for subsequent verification as requested. Management should therefore facilitate the physical verification of all fixed assets catalogued in Annexure 4 by the Office of the Auditor General within 90 days after the issuance of this report to the National Legislature.



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

### **1.1.15 Debts Payments without Adequate Supporting Documents**

#### **Criteria**

1.1.15.1 Section 17.1 88 IPSAS as adopted by GOL states the following; "Debt service payments may be a significant cash outlay for the entity and will impact on cash available to fund current and additional operations. Disclosure of repayment terms and conditions of outstanding external assistance debt will enable readers of the financial statements to determine when debt service payments (principal and interest or service charges) will commence, and the amount of principal and interest or service charge payable".

1.1.15.2 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. (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20. (3) An officer responsible for keeping financial and accounting records in accordance with this regulation shall ensure that the necessary books and forms for the purpose, are provided and the non-availability of the books, and forms shall not relieve the officer from responsibility.

#### **Observation**

1.1.15.3 During the audit, we observed no evidence of adequate supporting documents for total debt payments amounting to US\$21,719,245 reported in the financial statements for the fiscal periods FY2018/2019, FY2019/2020 and FY2020/2021. **See Table 15 below for details:**

**Table 15: Debts Payments without Evidence of Adequate Supporting Documents**

<b>Fiscal Year</b>	<b>Description</b>	<b>Reference</b>	<b>Amount US\$</b>
2018/2019	Domestic debts	Annual Financial Statement, Page 27	99,000.00
2019/2020	Settlement of Court Debt for Repairs and Maintenance Services Rendered to GOL/MFDP	Voucher no. 8180	200,000.00
2020/2021	Foreign debts	Annual Financial Statement, Page 22	21,420,245.00
<b>TOTAL</b>			<b>21,719,245.00</b>

#### **Risk**

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

1.1.15.5 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.



- 1.1.15.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.15.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.
- 1.1.15.8 In the absence of disbursement records for debt service payments, the debts portfolio may be misstated.

#### **Recommendation**

- 1.1.15.9 Management should fully account for payments made for debts without adequate supporting documents, as part of Management's response to this Management Letter.
- 1.1.15.10 Going forward, Management should ensure that all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as debts service agreements, bank statements, debit instructions, and all relevant supporting documents should be prepared and approved for the service of debt payments where applicable.
- 1.1.15.11 All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.1.15.12 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.
- 1.1.15.13 Further, Management should ensure that detailed general ledgers are prepared for all class of transactions, captioned with precise and concise account titles and populated with the comprehensive descriptions of the transactions.

#### **Management's Response**

- 1.1.15.14 Management likes to point out that the CAG handles all national claims/debt transactions through the GOL Consolidated Account rather than the MFDP Administration. These transactions are generally audited separately by the Auditor General.*

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

- 1.1.15.15 Management's assertion did not adequately address the issues raised. Foreign and domestic debts payments referenced in Table 15 above were obtained from MFDP general ledgers and therefore these transactions should be accounted for by Management. In the absence of debts service agreements, bank statements, debit instructions and other relevant supporting records to substantiate foreign and domestic debts payments, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.



### 1.1.16 Irregularities Associated with Scratch Cards Distribution

#### Criteria

- 1.1.16.1 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.
- 1.1.16.2 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

- 1.1.16.3 During the audit, we observed that Management procured and disbursed a total of US\$85,094.00 value of scratch cards for the entity's operations without evidence of an approved policy and scratch cards consumption and distribution logs. **See Table 16 below for details:**

**Table 16: Irregularities Associated with Scratch Cards Distribution**

Fiscal Year	Description	Reference	Amount	US\$
2018/2019	Scratch cards	Annual Financial Statements, Page 27		70,730.00
2019/2020	Scratch cards	Annual Financial Statements, Page 24		2,000.00
2020/2021	Scratch cards	Annual Financial Statements, Page 20		12,364.00
<b>TOTAL</b>				<b>85,094.00</b>

#### Risk

- 1.1.16.4 Scratch cards procured may not be based on actual distribution.
- 1.1.16.5 Management may spend above budgeted allocation and scratch cards may be subjected to misappropriation or theft.

#### Recommendation

- 1.1.16.6 Management should account for scratch cards procured and distributed without evidence of scratch cards consumption and distribution logs catalogued in **Table 16**, as part of Management's response to this Management Letter.
- 1.1.16.7 Management should develop, approve and operationalize a policy on scratch cards procurement, distribution, consumption, and ensure that proper records are maintained.
- 1.1.16.8 Management should maintain scratch cards consumption and distribution logs to aid the entity manage cost and inform future purchase.
- 1.1.16.9 Evidence of approved scratch cards policy and all other fuel procurement, consumption and distribution records should be adequately documented and filed to facilitate future review.

#### Management's Response

- 1.1.16.10 Management likes to state that the Scratch Cards Policy is being developed, and attached are the Scratch Card consumption and distribution log. **See BFU Exhibit 7.**



### Auditor General's Position

- 1.1.16.11 We acknowledge Management's subsequent submission of some scratch cards' distribution and consumption logs after our audit execution. However, the logs submitted for audit purposes did not include the dollar values of scratch cards procured for the periods submitted. Going forward, Management should update the scratch cards distribution and consumption logs to include the following columns: names of recipients, positions of recipients, departments/units, number of months, quantity of cards, unit price, total value, recipients' signatures and signing date. The logs should also be approved by the relevant authority and supported by the purchase orders and payments vouchers utilized during the purchase of the scratch cards.
- 1.1.16.12 Management's assertions relative to crafting of the policy will be validated during subsequent audit.

### 1.1.17 Non-Retirement of Foreign Travel DSA

#### Criteria

- 1.1.17.1 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

- 1.1.17.2 During the audit, we observed the following irregularities associated with travel expenditures:
- Incidental allowances were not duly retired/accounted for.
  - No evidence of travel activities reports for travel expenditures. **See Table 17 below and Annexure 6 for details:**

**Table 17: Non-Retirement of Foreign Travel DSA**

Fiscal Year	Description	Annexure ref.#	Amount US\$
2019/2020	Daily Sustenance Allowance	6a	49,022.67
2020/2021	Daily Sustenance Allowance	6b	20,322.10
<b>Total</b>			<b>69,344.77</b>

#### Risk

- 1.1.17.3 Failure to retire travel advances paid as DSA may lead to mismanagement of funds.
- 1.1.17.4 Expenditure may be misstated in the financial statements.
- 1.1.17.5 The authenticity of the transactions may be impaired.
- 1.1.17.6 Management may be in violation of GoL Revised Travel Ordinance.

### **Recommendation**

- 1.1.17.7 Management should account for travel expenditures without adequate supporting documents catalogued in **Table 17 and Annexure 6**.
- 1.1.17.8 Going forward, Management should ensure that all travel advances are adequately retired with the travel settlement forms, original copies of receipts and activities reports (where applicable) to justify the regularity of the transactions.
- 1.1.17.9 Evidence of travel retirement forms, original copies of receipts and travel activities reports, (where applicable) should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.1.17.10 *Management like to inform the Auditor, that retirement was done for the period mentioned. Please see attached **BFU Exhibit 11**.*

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

- 1.1.17.11 Management's assertion did not adequately address the issues raised. Management provided no evidence of travel activities and incidental liquidation reports for travel expenditures catalogued in **BFU Exhibit 11**, as asserted by Management. Further, we observed no dollar values on the Travel Settlement Forms subsequently provided by Management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.1.18 Payment without Evidence of Adequate Supporting Documents for Expenditure Titled "Other"**

### **Criteria**

- 1.1.18.1 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. (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20. (3) An officer responsible for keeping financial and accounting records in accordance with this regulation shall ensure that the necessary books and forms for the purpose, are provided and the non-availability of the books, and forms shall not relieve the officer from responsibility.

### **Observation**

- 1.1.18.2 During the audit, we observed no evidence of adequate supporting documents and detailed descriptions for class of transactions labeled as "Others" amounting to US\$29,200,000.00 reported in the Financial Statements for the Fiscal Year FY2020/2021.



**Risk**

- 1.1.18.3 The completeness, existence and accuracy of expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.1.18.4 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.1.18.5 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.
- 1.1.18.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.18.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

**Recommendation**

- 1.1.18.8 Management should fully account for expenditures made without adequate supporting documents reported under the caption "Other" in the financial statements.
- 1.1.18.9 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.
- 1.1.18.10 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.
- 1.1.18.11 Further, Management should ensure that detailed general ledgers are prepared for all class of transactions, captioned with precise and concise account titles and populated with the comprehensive descriptions of the transactions.

**Management's Response**

- 1.1.18.12 *Management like to state that Others were debts related transactions which are handled by the CAG through the GOL Consolidated Account and not the MFDP Administration.*

**Auditor General's Position**

- 1.1.18.13 Management's assertion did not adequately address the issues raised. All transactions captioned "Others" were obtained from MFDP general ledgers and therefore these transactions should be accounted for by Management. In the absence of debts service agreements, bank statements, debit instructions and other relevant supporting records to substantiate foreign and domestic debts payments, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.



## **1.2 Compliance Issues**

### **1.2.1 No Risk Management Policy and Report**

#### **Criteria**

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

#### **Observation**

- 1.2.1.2 During the audit, we observed no evidence that Management had developed a risk management policy to guide internal and external risks that may impair the achievement of the entity's objectives.

#### **Risk**

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

#### **Recommendation**

- 1.2.1.5 Management should establish a risk management policy that identifies strategies for mitigating internal and external risks that may impair the achievement of the entity's objectives.
- 1.2.1.6 Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.
- 1.2.1.7 Periodic Risk Assessment reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.2.1.8 *This is noted. Management is taking steps to address it.*

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

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



## 1.2.2 No Evidence of a Disaster Recovery Plan

### Criteria

- 1.2.2.1 The Committee of Supporting Organization of the Treadway Commission (COSO) provides that, management of an entity should develop a disaster recovery plan that would describe how the entity is to deal with potential disasters. A disaster recovery plan comprises of the precautions taken so that the effects of a disaster will be minimized and the organization will be able to either maintain or quickly resume mission-critical functions. The disaster recovery plan must be approved by an appropriate authority.

### Observation

- 1.2.2.2 During the audit, we observed that Management operated the Ministry without a disaster recovery plan.

### Risk

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

### Recommendation

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

### Management's Response

- 1.2.2.6 *MFDP has a draft Disaster Recovery/Business Continuity Plan. We are in the process of engaging top management to provide funding that would enable us to develop an updated BCP/DRP. A BCP/DRP policy would include backup and data retention policy.*

### Auditor General's Position

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

## 1.2.3 No Evidence of Internal Budget

### Criteria

- 1.2.3.1 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

- 1.2.3.2 During the audit, we observed no evidence of an annual budget comprehensively

cataloging all projected sources of revenue and planned expenditures for the period under audit.

**Risk**

1.2.3.3 The completeness and accuracy of revenue and expenditures may not be assured. This may lead to subsequent misstatement of financial statements.

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

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 relevant authority.

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

**Management's Response**

1.2.3.8 *Management assert that there was Annual Internal Budget document that comprehensively catalog planned activities that leads to expenditures. See attached Exhibit: BFU Exhibit 13.*

**Auditor General's Position**

1.2.3.9 Management's assertion did not adequately address the issues raised. The documents provided in **Exhibit 13** were extracts of approved summary of expenditures from the National Budget. All sources of revenue and details of expenditures per class, departments/units were not provided for audit purposes. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.2.4 No Evidence of Employees' Performance Appraisal**

**Criteria**

1.2.4.1 Chapter 8, Section 1, reports 8.1.1 of the Civil Servants 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 Direct General within 15 working of the end of the calendar year".

**Observation**

1.2.4.2 During the audit, we observed no evidence that Management conducted performance evaluation of its employees during the fiscal period as required.



**Risk**

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

**Recommendation**

- 1.2.4.5 Management should facilitate the conduct of periodic performance evaluations for all staff. Performance goals should be clearly defined and documented for all positions.
- 1.2.4.6 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.
- 1.2.4.7 Management should solicit post feedback from employees about the fairness of the performance evaluation system and make adjustments where applicable.
- 1.2.4.8 Documentation for performance evaluation should be adequately filed to facilitate future review.

**Management's Response**

- 1.2.4.9 *Management asserts that there was "Employee Performance Appraisal" for the following period. See Attached. **BFU Exhibit 14.***

**Auditor General's Position**

- 1.2.4.10 Management's assertions did not adequately address the issue raised. The few performance appraisal forms submitted after our audit execution were for periods before the scope of the audit. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

**1.2.5 No Evidence of Audit Committee**

**Criteria**

- 1.2.5.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that, "a 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."
- 1.2.5.2 In addition, Regulation K.11 (1) (a) of the PFM Act of 2009 as amended and restated 2019 requires that the audit committee of government agencies or organizations shall review internal controls, including the scope of internal audit, internal audit plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.



**Observation**

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

**Risk**

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

**Recommendation**

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

**Management's Response**

- 1.2.5.7 *This is noted. Management is taking steps to address it.*

**Auditor General's Position**

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

**1.2.6 No Evidence of Senior Management Meeting Minutes**

**Criteria**

- 1.2.6.1 1.2.7.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states: "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

**Observation**

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

**Risk**

- 1.2.6.3 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**

- 1.2.6.4 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.

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

**Management's Response**

- 1.2.6.6 *Management take note and will act accordingly.*

**Auditor General's Position**

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

**1.2.7 No Evidence of Annual Report**

**Criteria**

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

**Observation**

- 1.2.7.2 During the audit, we observed no evidence of annual reports prepared by Management for the periods under audit.

**Risk**

- 1.2.7.3 Significant activities, achievement, challenges and measures to mitigate challenges may not be adequately documented. This may impair institutional performance measurement and the development of remediation strategy to address existing challenges and constraints.

- 1.2.7.4 Information to facilitate institutional memory, expedite learning curves and provision of current administrative and operational status of the entity may not be available.

**Recommendation**

- 1.2.7.5 Management should facilitate the preparation and approval of administrative and operational activities reports on an annual basis. The reports should cover the proposed goals for the fiscal year, achievement against those goals, significant activities and challenges and measures to mitigate challenges in the near future. The report should also contain the entity audited financial statements (or at least a management account) to adequately inform stakeholders about the annual financial activities of the entity.



- 1.2.7.6 The report should be approved by the head of the entity and subsequently submitted to the Offices of the Auditor General, the Comptroller and Accountant General and the sector minister. Evidence of approved annual administrative and operational activities reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.7.7 *Management take note and will act accordingly. However, Management has put into place a very robust reporting system that; include weekly/monthly with a comprehensive MFDP reporting template been used.*

**Auditor General's Position**

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

**1.3 Information Technology Issues**

**1.3.1 Lack of IT Steering Committee**

**Criteria**

- 1.3.1.1 APO01.04 of COBIT 2019 states that: Define and implement the organizational structures, put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making and ensure that required technology and information knowledge is included in the composition of management structures.

**Observation**

- 1.3.1.2 During the audit, we observed no evidence of an IT steering committee to provide technical oversight of the IT functions of the entity.

**Risk**

- 1.3.1.3 In the absence of an IT Steering Committee the strategic goals, objectives and activities of the IT function may not be achieved.

**Recommendation**

- 1.3.1.4 Management should establish a functional IT steering committee evidenced by documentation of meeting minutes and periodic reports. Evidence of meeting minutes and periodic reports of the IT Steering Committee should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.1.5 *MFDP has an established IT steering committee. However, it has not been fully operational. Arrangements are underway to reactivate the operations of the ministry's IT steering committee.*

**Auditor General's Position**

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



### **1.3.2 Lack of Change Management Policy**

#### **Criteria**

- 1.3.2.1 DSS03.05.3 of COBIT 2019 states that: An entity shall identify and initiate sustainable solutions (permanent fixes) addressing the root cause. Raise change requests via the established change management processes.
- 1.3.2.2 BAI03.10.1 of COBIT 2019 states that: An entity develops and executes a plan for the maintenance of solution components. Include periodic reviews against business needs and operational requirements such as patch management, upgrade strategies, risk, privacy, vulnerabilities assessment and security requirements

#### **Observation**

- 1.3.2.3 During the audit, we observed no evidence of approved policy and procedures for managing modifications to the following systems: Smart Account, Open Data Kit (ODK), KOBO and the Access database system/ applications and network infrastructures.
- 1.3.2.4 Additionally, we observed no evidence of program change requests form to substantiate those changes made were appropriately authorized, tested, and approved for implementation.

#### **Risk**

- 1.3.2.5 Failure to develop and operationalize a change management policy may lead to unauthorized and untested changes made to the production environment that may cause disruptions to the business activities, and instability to the information system.

#### **Recommendation**

- 1.3.2.6 Management should develop, approve and operationalize a change management policy to mitigate unauthorized and untested changes made to the production environment.
- 1.3.2.7 Additionally, changes made to these systems should be properly tracked, tested by appropriate personnel, and adequately reviewed for approvals before being moved to production. All activities should be documented and appropriately maintained.

#### **Management's Response**

- 1.3.2.8 *MFDP does not have a Change Management Policy. However, there are change management procedures to ensure that all system changes are appropriately reviewed and authorized before they are affected.*

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

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

### **1.3.3 Inadequate Security Awareness Program**

#### **Criteria**

- 1.3.3.1 According to the TCT security/ Network policy - The ICT Unit shall in its annual work plan



provide ICT clinic/ training services to all MFDP personnel. Training sessions should cover topics on information security awareness and use of ICT equipment/ materials, and ICT office applications.

**Observation**

- 1.3.3.2 During the audit, we observed no evidence of IT security awareness training for all IFMIS users across the various Ministries and Agencies (M&A's). Further, we observed no evidence of ongoing program to ensure all IFMIS users remain aware of their security responsibilities.

**Risk**

- 1.3.3.3 The lack of security awareness training or program for users may lead to vulnerabilities been exploited on the systems and network through security violations.

**Recommendation**

- 1.3.3.4 Management should ensure that there is an ongoing security awareness program that should be implemented for all IFMIS users, moreover security briefings and training should be monitored and documented.
- 1.3.3.5 Security awareness should be maintained by informing users of the importance of the information they handle and the legal and business reasons for maintaining its integrity and confidentiality.

**Management's Response**

- 1.3.3.6 *MFDP conducts IFMIS system security training as part of training package to Line Ministries and Agencies during rollout to those entities. System security is now one of the key components of the IFMIS functional training. MFDP intends to conduct annual system security awareness for personnel of the ministry and the IFMIS rollout entities as a mean to further strengthen system security awareness.*

**Auditor General's Position**

- 1.3.3.7 Management's assertions were not backed by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

**1.3.4 Lack of IT Strategic Committee and Meeting Minutes**

**Criteria**

- 1.3.4.1 DM01.02 of COBIT 2019 states that: An entity should inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.
- 1.3.4.2 DM01.02.3 of COBIT 2019 states that: An entity should establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.



1.3.4.3 APO01.04 of COBIT 2019 states that: An entity should define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

**Observation**

1.3.4.4 During the audit, we observed no evidence of a functional IT Strategic Committee to provide strategic oversight of the IT strategic goals, objectives and activities, evidence by the nonexistence of meeting minutes and periodic reports.

**Risk**

1.3.4.5 In the absence of a functional IT Strategic Committee, the strategic goals, objectives, and activities of the IT function may not be achieved.

**Recommendation**

1.3.4.6 Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports and attendance logs.

**Management's Response**

1.3.4.7 *The Information and Network Security Policy of the MFDP has established governance structures. It talks about the creation of an IT Governance Board/IT Steering Committee and clearly defined the roles and responsibilities of committee members. Hence, there is a need to operationalize the Governance Board/IT Steering Committee as reference in the Security and Network Policy.*

**Auditor General's Position**

1.3.4.8 Management's assertions were not backed by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

**1.3.5 Lack of IT Strategic Plan**

**Criteria**

1.3.5.1 DM01.02 of COBIT 2019 states that: An entity should direct the governance system. Inform leaders on I&T governance principles and obtain their support, buy-in and commitment, guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels, define the information required for informed decision making.

1.3.5.2 DM01.02.3 of COBIT 2019 states that: An entity should establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.



- 1.3.5.3 APO01.04 of COBIT 2019 states that: Define and implement the organizational structures, put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making and ensure that required technology and information knowledge is included in the composition of management structures.

**Observation**

- 1.3.5.4 During the audit, we observed no evidence of an IT strategic plan to guide the activities and goals of their Information Technology Unit.

**Risk**

- 1.3.5.5 The non-establishment of an IT strategic plan may lead to strategic misalignment in its Information Technology Unit.

**Recommendation**

- 1.3.5.6 Management should develop, approve and operationalize a comprehensive IT Strategic plan that aligns with the organization's vision, mission and goals. The IT Strategic plan should provide a clear roadmap for the Information Technology Unit to deliver value, optimize resources and manage risks. The IT Strategic plan should also define the roles, responsibilities and governance structures for the IT function.
- 1.3.5.7 Evidence of approved IT Strategic plan should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.5.8 *The MFDP has a strategic plan that incorporates programs/activities of the ICT Unit. However, the unit has an annual work plan that outlines programs for every fiscal period. **BFU Exhibit 15.***

**Auditor General's Position**

- 1.3.5.9 We acknowledge Management's subsequent submission of approved strategic plans for the periods 2015 to 2018 and 2019 to 2023 provided in **BFU Exhibit 15**. However, the strategic plans did not include provisions for ICT. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.3.6 Lack of Training/ Capacity-Building Program**

**Criteria**

- 1.3.6.1 APO07.03 of COBIT 2019 states that: An entity shall maintain the skills and competencies of personnel, define and manage the skills and competencies required of personnel, regularly verify that personnel have the competencies to fulfill their roles on the basis of their education, training and/or experience, verify that these competencies are being maintained, using qualification and certification programs where appropriate. It should provide employees with ongoing learning and opportunities to maintain their knowledge, skills and competencies at a level required to achieve enterprise goals.



**Observation**

- 1.3.6.2 During the audit, we observed no evidence of a training plan for the technical IT staff that monitor daily IT operations. Further, we observed no evidence of ongoing training opportunities for staff; staffers are not trained subsequent to major changes to the system or the IT environment.

**Risk**

- 1.3.6.3 The lack of training plan of the IT unit may impair business continuity, staff development and the objectives of the entity.

**Recommendation**

- 1.3.6.4 Management should identify areas of capacity development and develop, approve and operationalize a training plan to enhance the knowledge, skills, and competencies of IT staff.
- 1.3.6.5 Evidence of approved training plan should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.6.6 *The ICT Unit has a detailed and comprehensive strategic training plan. For the past couple of years, there has not been any capacity development. There is a need for a routine training and capacity building programs for IT Personnel to enable them to adequately provide the needed technical support for GoL Financial Management systems and network infrastructure.*

**Auditor General's Position**

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

**1.3.7 No Policy to Cover Physical Access**

**Criteria**

- 1.3.7.1 DSS05.05 of COBIT 2019 states that: An entity shall define and implement procedures (including emergency procedures) to grant, limit and revoke access to premises, buildings and areas, according to business need, access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement applies to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

**Observation**

- 1.3.7.2 During the audit, we observed no evidence of a policy to cover physical access to information technology assets.
- 1.3.7.3 Our review of the established security measures revealed that there was no established procedure for controlling access to IT equipment.



**Risk**

- 1.3.7.4 Unauthorized access to IT environments may pose a significant risk of tampering, theft, loss, or harm to the physical and digital resources or damage to the hardware and software assets.

**Recommendation**

- 1.3.7.5 Management should establish and enforce rules and processes (including emergency) to control, restrict and revoke access to locations, facilities or zones that contain IT equipment, based on business need. Access to locations, facilities and zones should be rationalized, authorized, recorded and supervised. This requirement should apply to all persons entering the locations, including employees, temporary workers, customers, suppliers, guests or any other third party.

- 1.3.7.6 IT environments should be protected from intruders who may attempt to access, modify, steal, or destroy the hardware and software assets.

**Management's Response**

- 1.3.7.7 *The Information Security and Network Policy defines procedures covering physical security of MFDP facilities, equipment and resources, and protection of the Ministry's properties from damage or harm.*

**Auditor General's Position**

- 1.3.7.8 Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

**1.3.8 No Environmental Control Policy**

**Criteria**

- 1.3.8.1 DSS01.04 of COBIT 2019 states that: An entity shall maintain measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment.

- 1.3.8.2 DSS01.05.6 of COBIT 2019 states that: An entity shall on regular basis, educate personnel on health and safety laws, regulations, and relevant guidelines. Educate personnel on fire and rescue drills to ensure knowledge and actions taken in case of fire or similar incidents.

**Observation**

- 1.3.8.3 During the audit, we observed no evidence of documented policy for environmental control measures to safeguard the IT resources and staff.

**Risk**

- 1.3.8.4 Failure to properly address environmental control may impair availability, integrity and confidentiality of the IT systems and data, as well as the safety of the IT personnel.



**Recommendation**

- 1.3.8.5 Management should develop, approve and operationalize an environmental control policy. This policy should specify the standards and procedures for monitoring and regulating the environmental conditions, such as temperature, humidity, dust, noise, etc. The policy should also include the installation and maintenance of specialized equipment and devices that can detect and mitigate environmental risks, such as fire, flood, power outage, etc.

**Management's Response**

- 1.3.8.6 *This is noted. We are working to ensure this is addressed. Hence, the Data Center has a smoke detection and fire suppression system installed.*

**Auditor General's Position**

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

**1.3.9 No Documented and Tested Emergency Procedure**

**Criteria**

- 1.3.9.1 DSS02.05 of COBIT 2019 states that: Document, apply and test the identified solutions or workarounds. Perform recovery actions to restore the I&T-related service.

**Observation**

- 1.3.9.2 During the audit, we observed no documented and verified contingency plan and procedures, to protect IT resources and staff in case of an emergency.

**Risk**

- 1.3.9.3 In the instance of a crisis, the staff involved may not know their roles and responsibilities. This may disrupt the business operations and delay the response.

**Recommendation**

- 1.3.9.4 Management should facilitate the protection of the IT resources and staff from unforeseen events. Management should develop, approve and operationalize the emergency plans. These plans should include the steps to follow in case of a disaster, the roles and responsibilities of the personnel, the backup and recovery procedures, and the communication channels. Management should also conduct regular drills and audits to ensure the effectiveness and readiness of the emergency plans.

- 1.3.9.5 Evidence of approved emergency plan should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.9.6 *This will be addressed when we shall have updated our Business Continuity and Disaster Recovery Plan (BCP/DRP).*

**Auditor General's Position**

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



### **1.3.10 Threat to Business Continuity**

#### **Criteria**

- 1.3.10.1 APO14.10 of COBIT 2019, states that: An entity shall manage data backup and restore arrangements. Manage availability of critical data to ensure operational continuity. 1. Define a schedule to ensure correct backup of all critical data. 2. Define requirements for on-site and off-site storage of backup data, taking into account volume, capacity and retention period, in alignment with the business requirements. 3. Establish a testing schedule for backup data. Ensure that the data can be restored correctly without drastically impacting business.
- 1.3.10.2 APO14.09 of COBIT 2019, states that: Support data archiving and retention. Ensure that data maintenance satisfies organizational and regulatory requirements for availability of historical data. Ensure that legal and regulatory requirements for data archiving and retention are met. Ensure that policies mandate management of data history, including retention, destruction and audit trail requirements.

#### **Observation**

- 1.3.10.3 During the audit, we observed the following gaps were identified in Management's preparedness for a potential disruption during the audit process:
- Lack of a Business Continuity Plan (BCP) that outlines how to maintain essential functions during and after a crisis.
  - Lack of a Backup and Data Retention Strategy that ensures the availability and integrity of critical data.
  - Lack of a Disaster Recovery Plan (DRP) that specifies how to recover IT systems and infrastructure in the event of a disaster.

#### **Risk**

- 1.3.10.4 Failure to develop an approved business continuity plan, disaster recovery plan and backup and retention strategy may result in the loss of valuable data that may compromise the integrity and performance of the business.

#### **Recommendation**

- 1.3.10.5 Management should reduce the risk of service interruptions and ensure quick recovery of critical business functions, Management should create and implement an IT continuity plan, a disaster recovery plan and a backup and retention strategy. These plans and strategies should be aligned with the business objectives and approved by the relevant stakeholders. By doing so, Management can enhance the resilience and reliability of all services.
- 1.3.10.6 It is essential to have an approved business continuity plan, disaster recovery plan and backup and retention strategy in place. These plans and strategies ensure that transactions data can be recovered and restored in the event of a disruption that affects critical business functions.



**Management's Response**

- 1.3.10.7 *MFDP has a draft Disaster Recovery/Business Continuity Plan. We are in the process of engaging top management to provide funding that would enable us to develop an updated BCP/DRP. A BCP/DRP policy would include backup and data retention policy. The MFDP has a strategic plan that incorporates programs/activities of the ICT Unit. However, the unit has an annual work plan that outlines programs for every fiscal period. See **Exhibit 15**.*

**Auditor General's Position**

- 1.3.10.8 Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

**1.3.11 Lack of Information System Auditors**

**Criteria**

- 1.3.11.1 MEA02.03 of COBIT 2019, states that: Perform control self-assessments. Encourage management and process owners to improve controls proactively through a continuing program of self-assessment that evaluates the completeness and effectiveness of management's control over processes, policies and contracts.
- 1.3.11.2 Define an agreed, consistent approach for performing control self-assessments and coordinating with internal and external auditors.

**Observation**

- 1.3.11.3 During the audit, we observed that the Internal Audit Unit does not have information system auditor among its staffers to perform IS/IT risk assessments to evaluate the entity's systems, identify risk and analyze information.

**Risk**

- 1.3.11.4 Management failure to employ system auditors at the internal unit to assess IT risk and vulnerabilities may lead to the exploitation of the entity's systems or IT environment.

**Recommendation**

- 1.3.11.5 Management should ensure that qualified system auditors who are knowledgeable about the system and its associated risks are employed and trained on a periodic basis.

**Management's Response**

- 1.3.11.6 *Management admits the absence of and IS/IT auditor in the Internal Audit Unit. However, management is doing everything possible to ensure that some staff are trained as underlined.*

**Auditor General's Position**

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



## ANNEXURES

### Annexure 1a - Spending in Excess of Approved Budget (FY: 2017 – 2018)

Expenditure	Approved Budget Amount US\$ A	Financial Statements Amount US\$ B	Variance US\$ C=(A-B)
Basic Salaries	9,033,700.00	9,544,924.00	(511,224.00)
Honorarium	35,250.00	59,950.00	(24,700.00)
Foreign Travel-Means of travel	76,336.00	182,774.00	(106,438.00)
Foreign Travel-Daily Sub. Allowance	65,228.00	124,360.00	(59,132.00)
Foreign Travel-Incidental Allowance	13,020.00	26,600.00	(13,580.00)
Water and Sewage	4,200.00	19,385.00	(15,185.00)
Office Build. Rental and Lease	35,500.00	38,500.00	(3,000.00)
Repairs and Maintenance - Veh.	46,120.00	50,283.00	(4,163.00)
Repairs and Maintenance-Gen.	6,400.00	23,738.00	(17,338.00)
Repairs & Maint. Mach\&Equip, Furniture	35,490.00	92,055.00	(56,565.00)
Cleaning Materials and service	28,623.00	45,589.00	(16,966.00)
Stationery	57,184.00	85,775.00	(28,591.00)
Consultancy Services	259,440.00	458,676.00	(199,236.00)
Entertainment Representation	19,850.00	69,500.00	(49,650.00)
IFMIS Recurrent Costs	350,000.00	443,455.00	(93,455.00)
Contributions to other Int.Org	310,419.00	390,035.00	(79,616.00)
Transfers African Peer Review Sec	200,000.00	230,872.00	(30,872.00)
Transfer To LIMPAC	150,000.00	186,874.00	(36,874.00)
<b>TOTAL</b>	<b>10,726,760.00</b>	<b>12,073,345.00</b>	<b>(1,346,585.00)</b>

### Annexure 1b - Spending in Excess of Approved Budget (FY: 2018-2019)

Expenditures	Approved Budget Amount US\$ A	Financial Statements Amount US\$ B	Variance US\$ C=(A-B)
Basic Salary	10,654,502.00	11,721,411.00	(1,066,909.00)
Foreign Travel-Means of travel	94,031.00	133,115.00	(39,084.00)
Foreign Travel-Daily Sub. Allowance	48,878.00	71,650.00	(22,772.00)
Foreign Travel-Incidental Allowance	11,228.00	31,990.00	(20,762.00)
Domestic Travel-Daily Sub. Allowance	23,596.00	27,354.00	(3,758.00)
Fuel and Lubricants- Vehicles	107,561.00	254,926.00	(147,365.00)
Repairs and Maintenance - Veh	27,672.00	73,233.00	(45,561.00)
Repairs & Maint- Mach, Equip and Furniture	25,821.00	38,823.00	(13,002.00)
Consultancy Services	250,000.00	268,413.00	(18,413.00)
Entertainment Representation	38,250.00	54,000.00	(15,750.00)



Expenditures	Approved Budget Amount US\$ A	Financial Statements Amount US\$ B	Variance US\$ C=(A-B)
Transfers to SOE Unit	86,615.00	156,233.00	(69,618.00)
Contingency Transfers- Recurrent	4,193,135.00	5,813,432.00	(1,620,297.00)
Transfers to LIMPAC	128,810.00	195,660.00	(66,850.00)
Transfers to PFM Reform Secret	733,891.00	951,031.00	(217,140.00)
<b>TOTAL</b>	<b>16,423,990.00</b>	<b>19,791,271.00</b>	<b>(3,367,281.00)</b>

**Annexure 1c - Spending in Excess of Approved Budget (FY: 2019-2020)**

Expenditure	Approved Budget Amount US\$ A	Financial Statements Amount US\$ B	Variance US\$ C=(A-B)
Vehicles Rental and Leases	3,700.00	21,000.00	(17,300.00)
Printing, Binding, Publication	25,375.00	43,620.00	(18,245.00)
Contingency Transfer-Recurrent	2,987,033.00	15,633,243.00	(12,646,210.00)
<b>TOTAL</b>	<b>3,016,108.00</b>	<b>15,697,863.00</b>	<b>(12,681,755.00)</b>

**Annexure 1d - Spending in Excess of Approved Budget (FY: 2020-2021)**

Expenditure	Approved Budget Amount US\$ A	Financial Statements Amount US\$ B	Variance US\$ C=(A-B)
Basic Salary- Civil Service	9,014,544.00	9,068,699.00	(54,155.00)
Domestic Travel- DSA	4,577.00	16,955.00	(12,378.00)
Vehicles Rental and Leases	1,200.00	20,200.00	(19,000.00)
Printing, Binding and Publication Service	17,429.00	170,553.00	(153,124.00)
Food & Catering Services	10,210.00	21,943.00	(11,733.00)
Trade Agreement Levy- ECOWAS	3,328,000.00	3,774,897.00	(446,897.00)
Transfer to LIMPAC	162,854.00	218,099.00	(55,245.00)
Transfer to PFM Reform Secretariat	647,903.00	726,879.00	(78,976.00)
<b>TOTAL</b>	<b>13,186,717.00</b>	<b>14,018,225.00</b>	<b>(831,508.00)</b>

**Annexure 2a - Expenditures without Supporting Documents FY: 2018/2019)**

Fiscal Year	Budgeted Line Item	DATE	PV. No.	Description	Amount US\$
2018/2019	Transfers to MCC Compact Project	29/6/2019	1121611	MFDP OPERATION	12,756.00
2018/2019	Furniture and Fixture	29/6/2019	1121611	MFDP OPERATION	11,479.00
2018/2019	Transfer to Project financial management	29/6/2019	1121611	MFDP OPERATION	4,000.00
2018/2019	Transfer to PFM Reform secretariat	29/6/2019	1121611	MFDP OPERATION	8,354.44
2018/2019	Consultancy	29/6/2019	1121611	MFDP OPERATION	26,224.00
2018/2019	Printing, binding and Publication	29/6/2019	1121611	MFDP OPERATION	8,800.00
2018/2019	Foreign Travel- DSA	29/6/2019	1121611	MFDP OPERATION	12,327.00
2018/2019	Foreign Travel-means of travel	29/6/2019	1121611	MFDP OPERATION	7,793.00
2018/2019	HONORARIUM	29/6/2019	1121611	MFDP OPERATION	2,999.30
<b>TOTAL</b>					<b>94,732.74</b>

**Annexure 2b - Expenditures without Supporting Documents FY: 2019/2020)**

Fiscal Year	Budgeted Line Item	DATE	PV. No.	Description	Amount US\$
2019/2020	Contingency Transfers-Recurrent	1/7/2020	1162483	MFDP OPERATION	1,833,572.00
2019/2020	Contingency Transfers-Recurrent	1/7/2020	1162483	MFDP OPERATION	1,038,893.00
2019/2020	Contingency Transfers-Recurrent	8/7/2020	1162796	MFDP OPERATION	1,773,572.00
2019/2020	Contingency Transfers-Recurrent	8/7/2020	1162796	MFDP OPERATION	1,038,893.00
2019/2020	Contingency Transfers-Recurrent	17/7/2020	1163557	MFDP OPERATION	732,428.67
2019/2020	Contingency Transfers-Recurrent	17/7/2020	1163557	MFDP OPERATION	1,038,893.00
2019/2020	Contingency Transfers-Recurrent	28/7/2020	1165040	MFDP OPERATION	532,428.67
2019/2020	Contingency Transfers-Recurrent	28/7/2020	1165040	MFDP OPERATION	1,038,893.00
<b>TOTAL</b>					<b>9,027,573.34</b>

**Annexure 2c - Expenditures without Supporting Documents (FY: 2020/2021)**

Fiscal Year	Budgeted line items	Date	Voucher no.	Description	Amount US\$
2020/2021	Trade Agreement Levy Ecowas	22/12/2020	25474	Operation	65,218.85
2020/2021	Printing Binding & Publication Services	30/6/2021	1209018	MFDP Operations	4,500.00



Fiscal Year	Budgeted line items	Date	Voucher no.	Description	Amount US\$
2020/2021	Operational Expenses	30/6/2021	1209018	MFDP Operations	30,000.00
2020/2021	Operational Expenses	30/6/2021	1209018	MFDP Operations	16,134.00
2020/2021	Contingency Transfer	22/12/2020	410	Payment toward RIA Runway for Dec.2020-MFDP	119,777.50
2020/2021	Contingency Transfer	22/12/2020	411	Payment toward RIA Runway for Dec.2020-MFDP	115,153.92
2020/2021	Contingency Transfer	22/12/2020	413	Payment toward RIA Runway for Dec.2020-MFDP	108,407.24
2020/2021	Contingency Transfer	28/12/2020	490	Lease/Rental for Building to Host the Offices of LERC-MFDP	80,000.00
2020/2021	Contingency Transfer	22/2/2021	14335	Financial Assistance to the Family of Musa Dixon of DOB-MFDP	60,000.00
<b>TOTAL</b>					<b>599,191.51</b>

**Annexure 3a - No evidence of Receipts for Remittance for NASSCORP Contribution**

Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2017/2018	738,043.50	29,521.74	44,282.61	73,804.35
2017/2018	736,878.50	29,475.14	44,212.71	73,687.85
2017/2018	745,326.35	29,813.05	44,719.58	74,532.64
2017/2018	744,383.50	29,775.34	44,663.01	74,438.35
2017/2018	771,673.50	30,866.94	46,300.41	77,167.35
2017/2018	808,721.00	32,348.84	48,523.26	80,872.10
2017/2018	821,846.00	32,873.84	49,310.76	82,184.60
2017/2018	821,257.00	32,850.28	49,275.42	82,125.70
2017/2018	827,007.00	33,080.28	49,620.42	82,700.70
2017/2018	840,632.00	33,625.28	50,437.92	84,063.20
2017/2018	875,118.20	35,004.73	52,507.09	87,511.82
2017/2018	844,150.48	33,766.02	50,649.03	84,415.05
<b>TOTAL</b>	<b>9,575,037.03</b>	<b>383,001.48</b>	<b>574,502.22</b>	<b>957,503.70</b>

**Annexure 3b - No evidence of Receipts for Remittance made to NASSCORP**

Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2018/2019	909,481.73	36,379.27	54,568.90	90,948.17



Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2018/2019	954,560.80	38,182.43	57,273.65	95,456.08
2018/2019	969,828.73	38,793.15	58,189.72	96,982.87
2018/2019	971,327.73	38,853.11	58,279.66	97,132.77
2018/2019	981,245.48	39,249.82	58,874.73	98,124.55
2018/2019	983,330.98	39,333.24	58,999.86	98,333.10
2018/2019	993,664.10	39,746.56	59,619.85	99,366.41
2018/2019	Not available	Not available	Not available	Not available
2018/2019	Not available	Not available	Not available	Not available
2018/2019	993,425.48	39,737.02	59,605.53	99,342.55
2018/2019	990,820.10	39,632.80	59,449.21	99,082.01
2018/2019	990,192.32	39,607.69	59,411.54	99,019.23
<b>TOTAL</b>	<b>9,737,877.45</b>	<b>389,515.09</b>	<b>584,272.65</b>	<b>973,787.74</b>

**Annexure 3c – No evidence of Receipts for Remittance made to NASSCORP**

Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2019/2020	Not available	Not available	Not available	Not available
2019/2020	739,199.00	29,567.96	44,351.94	73,919.90
2019/2020	746,124.00	29,844.96	44,767.44	74,612.40
2019/2020	772,080.00	30,883.20	46,324.80	77,208.00
2019/2020	Not available	Not available	Not available	Not available
2019/2020	Not available	Not available	Not available	Not available
2019/2020	Not available	Not available	Not available	Not available
2019/2020	687,404.00	27,496.16	41,244.24	68,740.40
2019/2020	683,146.66	27,325.87	40,988.80	68,314.67
2019/2020	680,401.91	27,216.08	40,824.11	68,040.19
2019/2020	678,297.43	27,131.90	40,697.85	67,829.74



Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2019/2020	679,120.93	27,164.84	40,747.26	67,912.09
<b>TOTAL</b>	<b>5,665,773.93</b>	<b>226,630.97</b>	<b>339,946.42</b>	<b>566,577.39</b>

**Annexure 3d - No evidence of Receipts for remittance made to NASSCORP**

Fiscal Year	Gross Payroll US\$ A	Employees' Social Contributions 4% US\$ B	Employer's Social Contributions 6% US\$ C	Total Contributions US\$ D=(B+C)
2019/2020	Not available	Not available	Not available	Not available
2019/2020	739,199.00	29,567.96	44,351.94	73,919.90
2019/2020	746,124.00	29,844.96	44,767.44	74,612.40
2019/2020	772,080.00	30,883.20	46,324.80	77,208.00
2019/2020	Not available	Not available	Not available	Not available
2019/2020	Not available	Not available	Not available	Not available
2019/2020	Not available	Not available	Not available	Not available
2019/2020	687,404.00	27,496.16	41,244.24	68,740.40
2019/2020	683,146.66	27,325.87	40,988.80	68,314.67
2019/2020	680,401.91	27,216.08	40,824.11	68,040.19
2019/2020	678,297.43	27,131.90	40,697.85	67,829.74
2019/2020	679,120.93	27,164.84	40,747.26	67,912.09
<b>TOTAL</b>	<b>5,665,773.93</b>	<b>226,630.97</b>	<b>339,946.42</b>	<b>566,577.39</b>

**Annexure 4: Irregularities associated with fixed assets management**

**Annexure 4a Fixed Assets not Coded**

No.	Item Description	Quantity	Type	Color	Location
1	Ice Box	30	Sharp, H2O, Aftron, LRC, Samsung, Haier, Ice Mar, Tamashi,	Gray/White	MFDP
2	Paper Shredder	9	Flamingo, Nigach, Rexel, Deli	Gray, Black, White	MFDP
3	Macro Wave	40	Aftron, Hyundai, Sharp, Sonyo, NIKAL, Akai,	Black, Moron, White	MFDP
4	Furnitures & Fixtures	267	Chairs, Desks, Tables, Workstations, Bookshelf	Black/Brown	MFDP
5	File Cabinet,	22	1double doors, wooden	Brown/Gray	MFDP
6	Air Conditions	97	Gibson, Unionaire, Chigo, Semtoni, Hisense, TCL, Aftron, Rexel, Midea	Gray, White	MFDP
7	Laptops	48	Dell, HP, Lenovo	Black/Gray	MFDP
8	Television Flat	20	Sharp, Hisense, Haier, Hyundai,	Black	MFDP



No.	Item Description	Quantity	Type	Color	Location
	Screen		Aftron, TCL,		
9	Decoder	17	DSTV, SATCON/ Strong, NIKAL,	Black	MFDP
10	Printers	95	Canon, HP Laserjet, Evols	Black, Gray, White	MFDP
11	Water Dispenser	8	Aftron, Nevica, Akai, Dura, Star.	White	MFDP
12	Desktop Computer	9	Dell, Hp, Lenovo	Black	MFDP
13	Safe big and small	6	MAHMAYI, Pansy, SP Enjoy Security, BF-Safe Excellent	Gray	MFDP
14	Decoder	1	Strong	Black	MFDP
15	File Cabinet	9	N/A	N/A	MFDP
16	Paper Shredder	4	Flamingo	Black	MFDP
17	Air Condition Split	22	Aftron, Hisense, Haier	White	MFDP
18	Television Flat/Desktop	2	Sharp	Black	MFDP
19	Macro Wave	2	Sharp	Moron	MFDP
20	Water Dispenser	1	Aftron	White	MFDP
21	Safe (big)	5	Mahmayi, Pansy	Gray, Gray	MFDP
22	Executive chair	1	Executive	Black	MFDP
23	Desktop Computer	17	Dell	Black	MFDP
24	Laptops	46	Dell, HP, Lenovo	Black/Gray	MFDP
25	Furnitures & Fixtures	100	Chairs, Desks, Tables, Bookshelf	N/A	MFDP
26	Printers	18	Canon, HP, Evols, Biometric	Black, Gray, White	MFDP
27	Ice Box	6	Aftron	White	MFDP

#### Annexure 4b: Fixed Assets Replaced but not Recorded

No.	Item Description	Quantity	Type	Color	Location
1	Laptops	16	Dell, HP, Lenovo	Black/Gray	MFDP
2	Furnitures & Fixtures	30	Chairs, Desks, Tables	N/A	MFDP
3	Printers	15	Canon, HP, Evols	Black, Gray, White	MFDP
4	Desktop Computer	11	Dell, Lenovo, HP	Black	MFDP
5	Safe big and small	6	MAHMAYI, Pansy, SP Enjoy Security, BF-Safe Excellent	Gray	MFDP
6	Air Condition Split	19	Aftron, Hisense, Haier	White	MFDP
7	Television	12	Sharp, TCL	Black	MFDP
8	Macro Wave	7	Aftron, Sharp, NIKAL, Akai	Moron	MFDP
10	Ice Box	5	Sharp, H2O, Aftron, LRC, Ice Mar, JARDAD, Galanz, Samsung,	Gray/White	MFDP
11	Decoder	8	Strong, DSTV	Black	MFDP
12	Paper Shredder	7	Flamingo, Nigach, Rexel	Black	MFDP



**Annexure 5a: Non-Withholding and Remittance of GST**

<b>Date</b>	<b>Payee</b>	<b>Description</b>	<b>Amount Paid for Good (US\$) A</b>	<b>Percentage Charged % B</b>	<b>GST Withheld but not remitted C=(AxB)</b>
08/11/2018	Solumane Mohammed Business Corp	Payment for the Procurement of Operational Phone Cards of the MFDP for the Months of July, Aug and Sept 2018	33,950.59	4	1,358.00
20/8/2018	Tony Hage	Payment as Lease fees in favor of Tony Hage for the Financial Program and Liberia Extractive Industry Transparency Initiative, Ministry of Finance and Development Planning for the FY'2018/2019	32,250.00	10	3,225.00
7/3/2019	Super Petroleum	Payment for the supply & delivery of operational petroleum product (gasoline/fuel) for the months of October, November & December 2018 in favor of Super Petroleum	145,891.75	1	1,459.00
21/11/2018	Super Petroleum	Payment for the supply & delivery of operational fuel & gasoline (petroleum product) for the months of July to September 2018	115,406.38	1	1,154.00
13/9/2018	Liberty Airlines INC	USD 100% AIR LIFTMENT OF GASH GRANDCESS, RIVER CESS & FISH TOWN FROM JULY - SEPTEMBER 2018/ MFDP	69,336.50	10	6,934.00
16/5/2019	Mwetana Consulting & Technology Group Inc	Payment for the Provision of Servicing, Maintenance and support for the expansion of CCTV System	16,966.74	2	340.00



Date	Payee	Description	Amount Paid for Good (US\$) A	Percentage Charged % B	GST Withheld but not remitted C=(AxB)
21/5/2019	Mwetana Consulting & Technology Group Inc	60% payment as cost for the expansion of the closed-Circuit Television	34,512.66	2	690.00
<b>TOTAL</b>					<b>15,160.00</b>

**Annexure 5b: Non-Withholding and Remittance of GST Taxes**

Date	Payee	Description	Amount paid US\$	Percentage Charged %	GST withheld but not remitted
Aug.2020	Molley Shaffa	Payment as consultancy fees	2,375.00	10	237.50
Aug 2020	Rufus N. Darkortey	Payment as Consultancy fees	3,213.00	10	321.30
Aug 2020	Moses S. Wreh	Payment as Consultancy fees	3,468.75	10	346.87
Aug 2020	Molley A. Shaffa	Payment as Consultancy fees	2,375.00	10	237.50
Aug 2020	Emmanuel Munyeneh	Payment as Consultancy Fees	14,400.00	10	1,440
Aug 2020	Michael Diggs	Payment as Consultancy Fees	6,588.00	10	658.80
Jan 2021	United Logistics Company	Payment represents transport Services	7,350.00	4	294.00
July 2020	National Coordinating Committee Secretariate (NCC-Liberia)	Payment represents Basic Salary in favor of staff NCC-Liberia	5,615.59	10	561.56
Sept 2020	NATL. Center for the COORD. Of Response Mech. (NCCRM)	Payment represents basic salary for the months of July and Aug 2020	38,254.90	10	3,825.49
Dec 2020	NCCRM	Payment represents basic salary for the month of Dec 2020	43,579.12	10	4,357.91
Aug 2020	African Peer Review Mechanism (APRM)	Payment represents basic salary in favor of staff APRM covering July 2020	12,426.82	10	1,242.68



Date	Payee	Description	Amount paid US\$	Percentage Charged %	GST withheld but not remitted
<b>TOTAL</b>					<b>13,523.54</b>

**Annexure 6a: Non-Retirement of Foreign Travel DSA**

Date	Payee	Budgeted line items	Description	Amount US\$	Comments
25/7/2019	Hon. Samuel D. Tweah	Foreign Travel-Means of travel	Payment as round-trip Air ticket In-favor Hon. Samuel D. Tweah of the MFDP, who will travel to Accra, Ghana to attend the African Caucus Meeting of the World Bank & IMF. Travel dates: July 30-Aug.3,2019.	2,230.00	No Travel Settlement Form, Travel Activity Report
16/9/2019	Hon. Augustus J. Flomo	Foreign Travel-Means of travel	Payment as air ticket in favor of Hon. Augustus j. Flomo for a trip to Washington DC to attend US -Liberia Partnership Dialogue and to New York to participate in the UNGA activities etc. from Sept. 17-27,2019.	2,318.00	No Travel Settlement Form, Travel Activity Report
7/10/2019	Hon. Samuel D. Tweah Jr. Minister	Foreign Travel-Means of travel	Payment for the provision of round-trip tickets In-favor Hon. Samuel D. Tweah Jr. Minister, et. al. of the MFDP, who will lead the Gol delegation to this year's Annual meeting of the World Bank/ IMF to be held in Washington D.C USA from Oct. 13-23, 2019.	14,694.00	No Travel Settlement Form, Travel Activity Report
19/2/2020	Hon. Bacon Vah - Assistant minister	Foreign Travel-Means of travel	Payment for the provision of Air Tickets for Hon. Bacon Vah Et Al Assistant minister of the MFDP who will pay an official visit to the fund headquarters in Saudi Arabia to discuss & secure additional Grant & Loan for the Gol. Travel Dates Feb. 23-29,2020	5,750.97	No Travel Settlement Form, Travel Activity Report
27/2/2020	Hon. Patience Kollie-Lawson- Assistant	Foreign Travel-Means of travel	Payment represents Air Tickets In-favor Hon. Patience Kollie-Lawson Et. Al Assistant Minister for Adm. who have been nominated	3,713.00	No Travel Settlement Form, Travel Activity Report

Date	Payee	Budgeted line items	Description	Amount US\$	Comments
	Minister		by the MFDP, to attend a conference on the commission status of women (CSW), slated for march 9-20,2020. in New York, USA		
25/7/2019	Hon. Samuel D. Tweah	Foreign. Travel-Daily Sub. Allowance	Payment as Foreign Travel DSA In-favor Hon. Samuel D. Tweah of the MFDP, who will travel to Accra, Ghana to attend the African Caucus Meeting of the World Bank & IMF. Travel Dates: July 30-Aug. 3,2019	1,350.00	No Travel Settlement Form, Travel Activity Report
16/9/2019	Hon. Augustus J. Flomo	Foreign. Travel-Daily Sub. Allowance	Payment as DSA in favor of Hon. Augustus j. Flomo for a trip to Washington DC to attend US -Liberia Partnership Dialogue and to New York to participate in the UNGA activities etc. from Sept. 17-27,2019.	2,453.00	No Travel Settlement Form, Travel Activity Report
7/10/2019	Hon. Samuel D. Tweah Jr	Foreign. Travel-Daily Sub. Allowance	Payment as Foreign Travel DSA In-favor Hon. Samuel D. Tweah Jr. Minister of the MFDP, who will lead the Gol delegation to this year's Annual meeting of the World Bank/ IMF to be held in Washington D.C USA from Oct. 13-23, 2019.	2,635.50	No Travel Settlement Form, Travel Activity Report
7/10/2019	Hon Augustus J. Flomo. DME	Foreign. Travel-Daily Sub. Allowance	Payment as Foreign Travel DSA In-favor of Hon Augustus J. Flomo. DME of the MFDP, who will accompany the finance minister as delegate to this year's Annual meeting of the World Bank/ IMF to be held in Washington D.C USA from Oct. 13-23, 2019.	2,485.00	No Travel Settlement Form, Travel Activity Report
7/10/2019	Hon Tanneh G. Brunson. DMB	Foreign. Travel-Daily Sub. Allowance	Payment as Foreign Travel DSA In-favor of Hon Tanneh G. Brunson. DMB of the MFDP, who will accompany the finance minister as delegate to this year's Annual meeting of the World Bank/ IMF to be held in	2,485.00	No Travel Settlement Form, Travel Activity Report



Date	Payee	Budgeted line items	Description	Amount US\$	Comments
			Washington D.C USA from Oct. 13-23, 2019.		
7/10/2019	Prince A. Thompson	Foreign. Travel-Daily Sub. Allowance.	Payment as Foreign Travel DSA In-favor Prince A. Thompson Technical Focal Person of the MFD, who will accompany the finance minister as delegate to this year's Annual meeting of the World Bank/ IMF to be held in Washington D.C USA from Oct. 13-23, 2019	2,184.00	No Travel Settlement Form, Travel Activity Report
27/2/2020	Hon. Patience Kollie-Lawson	Foreign. Travel-Daily Sub. Allowance.	Payment represents Foreign Travel DSA In-favor Hon. Patience Kollie-Lawson Assistant Minister for Adm. who have been nominated by the MFD, to attend a conference on the commission status of women (CSW), slated for march 9-20,2020. in New York, USA	2,440.20	No Travel Settlement Form, Travel Activity Report
27/2/2020	Sarah M. Johnson	Foreign. Travel-Daily Sub. Allowance.	Payment represents Foreign Travel DSA In-favor Sarah M. Johnson who have been nominated by the MFD, to attend a conference on the commission status of Women (CSW), slated for march 9-20, 2020. in New York, USA.	2,142.00	No Travel Settlement Form, Travel Activity Report
27/2/2020	Sarah M. Mulbah	Foreign. Travel-Daily Sub. Allowance.	Payment represents Foreign Travel DSA In-favor Sarah M. Mulbah who have been nominated by the MFD, to attend a conference on the commission status of Women (CSW), slated for march 9-20, 2020. in New York, USA.	2,142.00	No Travel Settlement Form, Travel Activity Report
<b>TOTAL</b>				<b>49,022.67</b>	

#### Annexure 6b: Non-Retirement of Foreign Travel DSA

Date	Payee	Budgeted line Items	Description	Amount US\$
12/5/2021	Hon. Samuel D. Tweah,		Payment for the provision of round-trip tickets for Hon. Samuel D. Tweah and Mr.	10,542.00



Date	Payee	Budgeted line Items	Description	Amount US\$
	Mr. Rufus N. Darkortey	Foreign Travels Means of Travels	Rufus N. Darkortey to USA and France from May 10-31,2021 to hold discussions with key stakeholders and potential investors to fund Liberia's development agenda.	
28/4/2021	Mr. Allison K. Telee Jr.	Foreign Travels Daily Subsistence Allowance	Payment as cost to cover up expenses for Mr. Allison K. Telee Jr. The GOL nominee at the IFC-Milken Institute Capital Markets Program at the George Washington D.C, a 9-Months Graduate-Level Certificate Program from March-October 2021.	2,400.00
13/5/2021	Hon.Samuel D. Tweah	Foreign Travels Daily Subsistence Allowance	Payment represents foreign travel DSA in favor of Hon. Samuel D. Tweah and to USA and France from May 10-31,2021 to hold discussions with key stakeholders and potential investors to fund Liberia's development agenda.	5,343.10
13/5/2021	Mr. Rufus Darkortey	Foreign Travels Daily Subsistence Allowance	Payment represents foreign travel DSA infavor of Mr. Rufus Darkortey to USA to accompany Minister Tweah from May 10-31,2021 to hold discussions with key stakeholders and potential investors to fund Liberia's development agenda.	2,037.00
<b>TOTAL</b>				<b>20,322.10</b>

