Management Letter

On the Financial Statement Audit of the Bomi County Community College (BCCC)

For Fiscal Year Ended June 30, 2017

Promoting Accountability of Public Resources

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

Monrovia, Liberia
December 2022

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ACRONYMS USED

Acronyms	Meaning
AFP	Auditor Focal Person
AG	Auditor General
BCCC	Bomi County Community College
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigative Professional
COSO	Committee on Sponsoring Organizations of the Tread way Commission
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GOL	Government of Liberia
IPSAS	International Public Sector Accounting Standard
LRD	Liberian Dollar
MFDP	Ministry of Finance & Development Planning
NCB	National Competitive Bidding
PFM	Public Finance Management
PPC	Public Procurement Concessions
RFQ	Request for Quotation
USD	United States Dollar

July 2, 2026

Dr. Zobon B. Norman
President
Bomi County Community College
Tubmanburg City
Bomi County, Liberia

Dear Dr. Norman:

MANAGEMENT LETTER ON THE FINANCIAL STATEMENT AUDIT OF THE BOMI COUNTY COMMUNITY COLLEGE (BCC) FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

The Financial Statements of the Bomi County Community College (BCCC) are subject to audit by the Auditor General in terms of Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Engagement Term of Reference. The Financial Audit was performed for the period July 1, 2016 - June 30, 2017

INTRODUCTION
The audit of the Bomi County Community College for the period July 1, 2016 – June 30, 2017 has been completed and the purpose of this letter is to bring to your attention the observations and findings revealed during the audit.

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 all material respects, fair presentation and reporting is achieved.

An audit involves:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;

- Assessment of the accounting principles used and significant estimates made by management; and

- Evaluation of the Financial Statement presentation.

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

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

The financial statements preparation, the maintenance of effective internal control measures and compliance with laws and regulations are the responsibilities of the Management of BCCC. Our responsibility is to express an opinion on these financial statements.

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

Key Personnel of BCCC

No	Name	Rank	Period
1	Varney A. Yengbeh Jr.	Board Chair	2016-present
2	Dr. Abimelech Paye Gbatu	President	2023
3	Samuel L. Dunbar Sr.	Acting President	2020-2023
4	Amos A. Fully	Vice President for Academic Affairs	2020-Present
5	Anthony J. Benson	Comptroller	2017-Present
6	Maibee Kollie	Human Resource Head	2016-Present
7	Daniel Gayflor Jr.	Procurement - Head	2016-Present

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Bomi County Community College and other individuals and businesses who contributed to the success of this audit.

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

Monrovia, Liberia
July 2026

1 DETAILED AUDIT FINDINGS AND RECOMMENDATIONS

1.1 Financial Related Issues

1.1.1 Payments Without Supporting Documents

Observation

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

1.1.1.2 During the audit, we observed that Management made payments amounting to US$16,540.56 without adequate supporting documentations. **Please See table 1 below:**

Table 1: Payment without supporting documents

No.	Components	Financial Statements (USD)	Payments Vouchers (USD)	Variance (USD)
1	Fuel and Lubricant Generator	9,000.38	8,636.40	364.00
2	Educational materials and supplies	57,731.33	50,466.00	7,265.00
3	Domestic travel	9,489.71	7,426.33	2,063.38
4	Stationery	19,843.82	18,507.57	1,336.00
5	Repair and Maintenance-Civil	15,764.91	11,151.73	4,613.18
6	Repair and Maintenance-Generator	2,548.97	1,650.00	899.00
Grand Total				**16,540.56**

Risk

1.1.1.3 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.

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

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

Recommendation

1.1.1.6 Management should fully account for the expenditure made without adequate supporting documents.

1.1.1.7 Management should ensure that 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.

1.1.1.8 All relevant supporting documents should be adequately documented and filed to facilitate future review.

Management's response

1.1.1.9 *The Management of Bomi Community College accepts and acknowledges the total variance of US$16,540.56. The variance was due to human error in calculation as the Bomi Community College is currently operating a manual accounting system. As parts of our reform process the Management of Bomi Community College is trying to source funding to transition from a manual Accounting System to a computerize Accounting System that will help to minimize human error in calculation.*

Auditor General's Position

1.1.1.10 Management's assertion did not adequately address the issues raised. Management should have accounted for transactions without supporting documents catalogued in our findings above. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.1.11 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.2 No Supporting Detailed General Ledgers

Observation

1.1.2.1 PFM Regulations C.8, Responsibilities of Accounting Officers, paragraph 3 (h) requires a head of a government agency or spending unit to produce, when required by the Minister of Finance, the Comptroller-General, head of internal audit or Auditor-General or by such officers as may be authorized by any of the above, all cash, books, records, vouchers or other items of value in his or her charge.

1.1.2.2 PFM Regulations I.2, Accounting Records, names records classified as "accounts" include manual and electronic: (a) accounting records in the form of books, ledgers, ledger sheets, ledger cards, or machine tabulations; and (b) source documents for the accounting records in the form of vouchers, schedules, returns, bank or any other statements

1.1.2.3 During the audit, we observed that Management did not maintain detailed ledgers including cash book for expenditure amounting to US$478,190.26 as reported in the financial statements.

Risk

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

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

Recommendation

1.1.2.6 Management should ensure that detailed general ledgers are prepared to support figures mentioned in the financial statements. Periodic reconciliation should be performed between the general ledger and the financial statements. Differences identified should be investigated and adjusted (where applicable) in a timely manner.

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

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

Management's response

1.1.2.9 *The Management of Bomi Community College has a functioning manual cash book from which all financial reports are derived. Please find attached samples.*

Auditor General's Position

1.1.2.10 Management's assertion did not adequately address the issues raised. The document subsequently presented by Management is a listing of expenditure which was not supported by general ledger, chart of accounts and adequate journal entries. We also observed that the listing did not contain all expenditure for the period and that these records were manually maintained. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2.11 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.3 Non-Preparation of Bank Reconciliation

Observation

1.1.3.1 Regulations C.8 (4a) of the PFM Act of 2009 states that" The head of agency or spending unit shall manage and reconcile the bank accounts authorized for the agency. This is done to ensure accuracy and accountability for all cash and bank transactions. It is also intended to detect and remedy frauds and errors on the bank statements".

1.1.3.2 During the audit, we observed that Management did not prepare bank reconciliation statements for all of its accounts.

Risk

1.1.3.3 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud. Management may not fully account for all its transactions.

Recommendation

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

1.1.3.5 Monthly bank reconciliation statements should be prepared and approved by staff with the relevant qualification, experience and seniority.

1.1.3.6 Monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

Management's Response

1.1.3.7 *The statement raised is valid and that the Management of Bomi Community College takes key note of the violation and is currently addressing them. Management will ensure that Bank Reconciliations are prepare monthly, documented and filed to facilitate future review*

Auditor General's Position

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

1.1.3.9 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.4 Accounting Policies and Explanatory Notes

Observation

1.1.4.1 Paragraph 1.3.25- Structure of the Notes, of the IPSAS Cash Basis Accounting, - states "The notes to the financials statements of an entity shall:

a) Present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events; and

b) Provide additional information which is not presented on the face of the financial statements but is necessary for a fair presentation of the entity's cash receipts, cash payments and cash balances".

1.1.4.2 During the audit, we observed that the schedules to the financial statements did not include writeups to provide additional information that is not otherwise easily captured on the face of the financial statements.

Risk

1.1.4.3 The absence of notes to the financial statements may impair full disclosure, fair presentation, accountability and information needed for decision making.

1.1.4.4 Management may be noncompliant with the Paragraph 1.3.25- Structure of the Notes, of the IPSAS Cash Basis Accounting.

Recommendation

1.1.4.5 Management should provide notes (narratives containing details of the nature of the transactions) consistent with the amounts on the face of the financial statements in keeping with IPSAS Cash Basis of Accounting Reporting Framework.

1.1.4.6 Financial statements prepared by junior personnel should be reviewed and approved by a senior staff with the relevant qualification, experience and authority.

Management's Response

1.1.4.7 *The Assertion raised is valid and that the Management of the Bomi Community College takes key note. However, Bomi Community College prepared its financial Statements in accordance with the provisions of the Public Financial Management Act of 2009 and in compliance with the cash Basis International Public Sector Accounting Standards (Cash IPSAS), adopted by the Government of Liberia.*

Auditor General's Position

1.1.4.8 Management's assertion did not adequately address the issues raised. Notes to the financial statements presented by Management were schedules of receipts and expenditure containing numerical values on the face of the financial statements. The notes to the financial statements should be detailed narratives of the nature of the transactions consistent with the amounts on the face of the financial statements. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.5 Currency Exchange Difference

Observation

1.1.5.1 IPSAS Cash basic section 1.6.3 states that 'Cash balance held in a foreign currency shall be translated using the closing rate'. And section 1.6.5 also states that 'An entity shall disclose the amount of exchange difference included as reconciling items between opening and closing balances.

1.1.5.2 Part 1.6.5 and 1.6.6 of the Revised Cash Basis IPSAS (2017) requires that an entity should disclose the amount of exchange differences included as reconciling items between opening and closing cash balances for the period.

1.1.5.3 During the audit, we observed that the notes to the financial statements disclosed the closing rate used in translating foreign currency transaction to the presentation currency during the fiscal year. However, the amount of exchange difference included as reconciling item between the opening and closing cash balances for the fiscal period was not disclosed.

Risk

1.1.5.4 The non-disclosure of exchange difference in notes to the financial statements may impair full disclosure, fair presentation, accountability and information needed for decision making.

Recommendation

1.1.5.5 Management should ensure full and adequate disclosure is made for all foreign currency translations difference.

Management's Response

1.1.5.6 *The statement raised is valid and that the Management of Bomi Community College takes key note of the violation and is currently addressing them. Going forward, the management of the college will ensure full and adequate disclosure is made for all foreign currency translations.*

Auditor General's Position

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

1.1.6 Revenue Variance (Fees) collected

Observation

1.1.6.1 Regulations A. 3 (1 and 2) of the PFM of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20."

1.1.6.2 Section 36 (1 and 2) of the PFM Act of 2009 also states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister. Each Spending Entity is required, where applicable, to provide a monthly report on revenues and a quarterly expenditures performance report to the Minister in the terms, format and within the timeframe determined by regulations under this Act."

1.1.6.3 During the audit, we observed from reconciliation of copies of receipts that total tuition and fees amounted to L$2,721,680.15 while total receipts from tuition and fees reported in the transaction listing amounted to LD2,731,265.15 resulting to a total variance of L$9,585.00. **Please see table 2 below:**

Table 2: Revenue Variance (fees) collected

Other Receipts			
Month	**Liberian Dollar per Transaction Listing A**	**(Liberian Dollar) Per Receipt books B**	**Variance C=A-B**
July	63,700.00	63,700.00	0.00
August	15,030.00	15,030.00	0.00
September	834,420.00	835,905.00	(1,485.00)
October	190,495.00	194,895.00	(4,400.00)
November	52,495.00	52,495.00	0.00
December	18,320.00	18,320.00	0.00
January	337,125.00	321,655.00	15,470.00
February	97,500.00	97,500.00	0.00
March	198,455.00	198,455.00	0.00
April	386,680.00	386,680.00	0.00
May	366,193.65	366,193.65	0.00
June	170,851.50	170,851.50	0.00
Total	**2,731,265.15**	**2,721,680.15**	**9,585.00**

Risk

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

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

Recommendation

1.1.6.6 Management should account for the variance of LD$9,585.00 identified and where applicable, adjust the financial statements accordingly.

1.1.6.7 Management should perform periodic reconciliation between the bills, official receipts, mobile money statements, bank statements and the financial statements. Differences identified should be documented, investigated and adjusted (where applicable) in a timely manner. Evidence of periodic reconciliation should be adequately documented and filed to facilitate future review.

Management's Response

1.1.6.8 *The Management of Bomi Community College accepts and acknowledges the variance of LD$9,585.00. The variance was due to human error in calculation as the Bomi Community College is currently operating a manual accounting system. As parts of our reform process the Management of Bomi Community College is trying to source funding to transition from a manual Accounting System to a computerize Accounting System that will help to minimize human error in calculation.*

Auditor General's Position

1.1.6.9 Management's assertion did not adequately address the issues raised. Management should have accounted for the variance between tuition and fees per transaction listing and tuition and fees per receipt booklets.

1.1.6.10 Management should ensure that all payments of tuitions and fees are facilitated through banks and or mobile money accounts. Management should perform periodic reconciliation between the bills, official receipts, mobile money statements, bank statements and the financial statements. Differences identified should be documented, investigated and adjusted (where applicable) in a timely manner. Evidence of periodic reconciliation should be adequately documented and filed to facilitate future review.

1.1.6.11 We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.6.12 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.7 Payments without Quotations

Observation

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

1.1.7.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states:

1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of:
    a) Professional and technical qualifications;
    b) Equipment availability, where applicable;
    c) Past performance;
    d) After-sales service, where applicable;
    e) Spare parts availability;
    f) Legal capacity;
    g) Financial resources and condition; and
    h) Verification by the internal revenue authority of payment of taxes and social security contributions when due.

2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders.

3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".

1.1.7.3 During the audit, we observed the following irregularities associated with the procurement system:

- There was no functional procurement committee evidence by the absence of meeting minutes and periodic reports.

- There was no evidence of annual procurement plan approved by PPCC.

- There was no evidence of periodic (quarterly and annual) procurement activities report 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.

1.1.7.4 Also, during the audit we observed that goods procured in the amount of USD118,037.36 did not contain supporting documents such as quotation etc. **See tables 3A and 3B below for details.**

Table 3A: Payment Without Quotations

No	(A) Service Description	2016/2017 (USD)
1	Repairs & Maintenance-Civil	15,764.91
2	Public Relations and Publicity (Publication)	1,383.30
3	Telecommunication, Internet, Postage and Courier	2,222.18
4	Workshops, Conference, Symposia and Seminars	1,018.95
Sub Total		**20,389.34**

Table 3B: Payment Without Quotations

No.	(B) Goods Description	Amount (US$)
1	Educational Materials and Supplies	57,731.33
2	Stationary	19,843.82
3	Other Office Material and Consumables	20,072.87
Sub Total		**97,648.02**

Total Payment Without Quotation	AMOUNT (USD)
A+B	**118,037.36**

Risk

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

1.1.7.6 The lack of an approved Procurement Plan may lead to discretionary expenditure, waste and impair value for money.

1.1.7.7 In the absence of a quarterly procurement report, Management may be in noncompliance with the PPC Act of 2005 as amended and restated in 2010.

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

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

Recommendation

1.1.7.10 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 in 2010.

1.1.7.11 Management should establish functional procurement committee evidence by the documentation of meeting minutes and periodic reports.

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

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

1.1.7.14 Management should facilitate full compliance with the required procurement standards for all transactions. Evidence of all relevant supporting documents should be adequately documented and filed for future reference.

Management's Response

1.1.7.15 *The statement raised is valid and that the Management of Bomi Community College takes key note of the violation and is currently addressing them. However, although the Bomi Community College Management did not request quotations in writing form but the Management got at least three price quotations from three qualified suppliers to obtain price comparison information for all the purchases listed in the table above. Management is currently reviewing and making sure that before any payments are made the above regulations will be adhered to. As parts of the reform process all financial documentation will be cross reference to ensure full compliance with the financial management laws (PFM Act) and the PPCC Acts of 2010 of Liberia on increase accountability.*

Auditor General's Position

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

1.1.8 Irregularities Associated with Fixed Asset Management

Observation

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

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

1.1.8.2 During the audit, we observed the following irregularities associated with the Fixed Assets Management System:

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns.
- The fixed assets register was not regularly updated.
- There was no evidence of periodic physical verification of assets by Management

- There was no evidence of movement of assets form.
- The fixed Asset of the entity were not coded.
- Fixed assets within a given vicinity were not displaced as required by the PFM

Risk

1.1.8.3 Fixed assets Register may be misstated (Over/understated).

1.1.8.4 Fixed assets may be damaged or impaired but their values are still on the books.

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

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

1.1.8.7 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.

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

Recommendation

1.1.8.9 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity. As part of the policy, Management should set assets value to be recorded, developed and maintained.

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

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

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

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

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

1.1.8.15 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.

Management's Response

1.1.8.16 *The Management of Bomi Community College accepts and acknowledges the assertions raised and will put in place fixed assets register that will reflect all the entity's assets.*

Auditor General's Position

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

1.1.8.18 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.9 Consultants Hired Without Valid Contract

Observation

1.1.9.1 Section 41(1) (a-e) of the Amended and Restated PPC Act of 2010 states that, "the Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- Ensuring that the contractor complies with the specifications and terms of the contract;
- Ensuring that the contract is being performed on schedule;
- Ensuring that payments made to the contractor are in accordance with the terms of the contract.
- Determining when a contract has been successfully performed which will entitle the contractor to final payment; and
- In the case of each contract awarded by the Procuring Entity, designating a contract administration officer who will have responsibility for the administration of the contract consistently with the requirements of this Act and the regulations."

1.1.9.2 During the audit we observed that Management hired the services of consultants / facilitators for the period audited without evidence of a formal contract agreement.

1.1.9.3 Additionally, we observed no evidence that the consultants/facilitators had performed the task hired for due to the absence of the issuance of certificates of completion or contract appraisal reports to validate the completion of task.

Risk

1.1.9.4 In the absence of a valid contract, value for money may not have been achieved during the procurement of the contract. The consultant may be arbitrarily selected leading to hike in compensation, inadequate qualification and experience and subsequently substandard performance.

1.1.9.5 In the absence of a valid contract, disputes arising from contract performance issues may not be easily adjudicated in a public court of competent jurisdiction.

Recommendation

1.1.9.6 Management should provide explanations for failing to maintain or provide a contract agreement for consultants/facilitators.

1.1.9.7 Going forward, Management should ensure that procurement processes leading to the hiring of a service provider is duly followed. All contracts subsequently signed should be adequately documented and filed to facilitate future review.

Management's Response

1.1.9.8 *The Management of Bomi Community College accepts and knowledge the assertions raised and are currently working toward implementing it. Moving forward, the Management will ensure that contract agreements are signed and maintained for consultants/facilitators for the purpose of accountability of public resources.*

Auditor General's Position

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

1.1.9.10 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.10 Irregularities Associated with Fuel and Lubricant Consumption.

Observation

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

1.1.10.2 During the audit we observed the following irregularities associated with fuel and lubricant management of the entity:

- There was no evidence of a fuel and lubricant management policy
- There was no evidence of generators and vehicles fuel consumption logs
- There was no evidence of periodic (monthly) fuel consumption report.

1.1.10.3 Also, we observed that Management made payments amounting to USD18,475.50 for fuel and gasoline without evidence of valid contracts awarded through a competitive procurement process. **See table 4 below**

Table 4: Irregularities Associated with Fuel and Lubricant Consumption

No	Detailed descriptions	Amount (USD) per financial statements
1	Fuel and Lubricant-Vehicles	9,475.12
2	Fuel and Lubricant- Generators	9,000.38
Grand Total		**18,475.50**

Risk

1.1.10.4 Fuel procured may not be based on actual consumption.

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

1.1.10.6 In the absence of a valid contract, value for money may not be achieved during the procurement of fuel and lubricant.

Recommendation

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

1.1.10.8 Management should ensure that all procurement processes leading to the purchase of fuel and lubricant are duly followed, including the development, approval and awarding of contracts.

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

1.1.10.10 All relevant documents relating to fuel management should be adequately filed to facilitate future review.

1.1.10.11 Management should adequately comply with the required procurement method to ensure that value for money is achieved. Hiring of vendors for supply of fuel and lubricants should be performed competitively and the selected vendor should be awarded and subsequently signed a contract consistent with the PPC Act.

Management's Response

1.1.10.12 *The Assertion raised is valid and that the Management of the Bomi Community College takes key note. However, the payments above are series of payments made for each line during the period under audit that sum up to the figures in the table and not single payments. The Management is currently reviewing and making sure that before any payments are made the above regulations will be adhered to. As parts of the reform* *process all financial documentation will be cross reference and check to ensure full compliance with the financial management laws and the PPCC Acts of 2010 of Liberia on increase accountability.*

Auditor General's Position

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

1.1.10.14 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.11 Misclassification of Account

Observation

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

1.1.11.2 During the audit, we observed that Management made payment amounting to US$13,155.00 for vehicle purchased. The transaction was misclassified as supplies and consumables.

Risk

1.1.11.3 Misclassification of transactions may result into improper reconciliation of budget versus actual analysis.

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

Recommendation

1.1.11.5 Management should adjust the financial statements to properly account for the vehicle reported as supplies and consumables. The vehicle should be recorded as capital consumption (fixed assets).

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

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

Management's Response

1.1.11.8 The *Management of Bomi Community College accepts and acknowledges the assertions raised and has adjusted the Financial Statements to properly account for the vehicles purchased as Capital Consumption and not Supplies and Consumables.*

Auditor General's Position

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

1.1.11.10 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

1.1.12 Explanation of Material Variances

Observation

1.1.12.1 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.

1.1.12.2 During the audit, we observed that the financial statements did not contain explanatory notes for material differences between budget and actual amounts reported in the Statement of Comparison of Budget and Actual Amounts.

Risk

1.1.12.3 The failure to include notes or explanations for material differences between budgetary amounts and actual amounts in the financial statements may deny users of the financial statements the information needed to make informed decisions.

Recommendation

1.1.12.4 Management should ensure that full and adequate disclosures are made for material variance(s) between the budget and actual amounts.

Management's Response

1.1.12.5 *The Assertion raised is valid and that the Management of the Bomi Community College takes key note. Management will ensure that going forward full and adequate disclosures will be made for material variance (s) between budget and actual amounts.*

Auditor General's Position

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

1.1.12.7 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.