Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

ON THE FINANCIAL STATEMENT AUDIT OF THE BOMI COUNTY COMMUNITY COLLEGE (BCCC)

FOR THE PERIOD ENDED JUNE 30, 2018

December 2022

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

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Republic of Liberia

TRANSMITTAL LETTER

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

We have undertaken the audit of the Bomi County Community College (BCCC) financial statements for the financial year ended June 30, 2018. The audit was conducted under the Auditor General's statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

Findings conveyed in this report have been formally communicated to the Management of the Bomi County Community College (BCCC). Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

Given the significance of the matters raise in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro-Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.

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

Monrovia, Liberia
July 2024

July 14, 2024

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

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT THE BOMI COUNTY COMMUNITY COLLEGE (BCCC) FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Adverse Opinion

We have audited the accompanying financial statements of the Bomi County Community College (BCCC) for the period July 1, 2017 to June 30 2018. These financial statements comprise the statement of Receipts and Payments, Statement of Comparison of budget and actual amounts, statement of financial position for the year then ended, and a summary of significant accounting Policies and other explanatory information.

Because of the significance of the matters described in the Basis for adverse opinion paragraph the financial statements, in our opinion, the financial statements do not present fairly, in all material respects, the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Adverse Opinion

During our audit of the financial statements of Bomi County Community College (BCCC) for the fiscal year ending June 30 2018, we identified several significant issues that have led to our adverse opinion:

- The financial statements did not contain explanatory notes for material differences between budget and actual amounts as required by the IPSAS Cash Basis of Accounting financial reporting framework.

- The amount of exchange difference included as reconciling item between the opening and closing cash balances for the fiscal year was not disclosed contrary to IPSAS Cash Basis of Accounting financial reporting framework.

The above issues have a pervasive impact on the financial statements, causing material misstatements and raising concerns about the accuracy and reliability of the reported financial position and performance for the period then ended June 30, 2018.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Management of Nation Bomi County Community College (BCCC) in accordance with the ethical requirements that are relevant to our audit of the financial statements under INTOSAI, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

GENERAL AUDITING COMMISSION
OFFICE OF THE AUDITOR GENERAL
REPUBLIC OF LIBERIA

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

Monrovia, Liberia
July 2024

STATEMENT OF RESPONSIBILITIES

The Financial Statements have been prepared 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.

In accordance with the provisions of the Public Financial Management (PFM) Act of 2009, I am responsible for the control of and accounting for public funds received, held, and expended for and on behalf of the Bomi County Community College.

Under the provisions of the same Act, I am required to prepare unaudited Final Account of the Bomi County Community College to be submitted to the Ministry of Finance and Development Planning. However, I have delegated the preparation of the unaudited Final Account to the Comptroller for my transmittal to the Minister, as provided in the attendant Regulations of the Public Financial Management Act of 2009. Accordingly, I am pleased to submit the required Yearly Public Account of the Bomi County Community College in compliance with the PFM Act and its attendant Regulations. I have provided, and will continue to provide, all information and explanations as may be required in connection with the financial statements presented therein.

In preparing these Financial Statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates. To the best of my knowledge and belief, these Financial Statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the provisions of the Public Financial Management (PFM) Act of 2009.

Dr. Zobong B. Norman
Bomi County Community College

REPORT OF THE COMPTROLLER

1. Introduction

This Report provides commentary and analysis of the cash receipts and payments (as well as financial performance) of the Bomi Community College for the financial year ended 30th June 2018 and of its financial position as at that date.

2. The FY2017/2018 Approved Budget

At the onset of the fiscal period FY2017/2018, the National Legislature appropriated a total of US$547,022.00 (Five hundred forty seven thousand twenty two United States dollars). During the period under review, no supplemental budget added.

3. Authorized Appropriation/Allocations

The total authorized allocation for the financial year FY2017/2018 received from the Ministry of Finance and Development Planning was US$525,726.60(Five hundred twenty five thousand seven hundred twenty six United States Dollars and sixty cents).

4. Other Receipts

a) The total other receipts collected from Bomi Community College students for registration and other fees was US$64,188.33 (Sixty four thousand one hundred eighty eight United States Dollars and thirty three cents).

5. Expenditure – Operational Fund

a. **Employee salaries and benefits** – Total employee salaries and benefits for the financial year was US$398,818.84 (Three hundred ninety eight thousand eight hundred eighteen United States Dollars and eighty four cents) from the authorized allocation received from the Ministry of Finance and Development Planning as well as other receipts collected.

b. **Goods and Services** – Total goods and services for the financial year was US$179,126.16 (One hundred seventy nine thousand one hundred twenty six United States Dollars and sixteen cents) from the authorized allocation received from the Ministry of Finance and Development Planning as well as other fees collected.

Conclusion

The Financial Statements for the financial year ended 30th June 2018 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.

Anthony J. Benson
Comptroller

STATEMENT OF CASH RECEIPTS AND PAYMENTS
(ALL PUBLIC FUNDS)
FOR THE FINANCIAL YEAR ENDED 30th JUNE 2018 (FY2017/2018)
RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
OPERATIONAL FUND							
RECEIPTS							
Authorized Allocation/Appropriation	4	525,726.60	-		481,779.54	-	
Other Receipts	5	64,188.33			38,984.42		
External Assistance:	6						
Grants From Multilateral Agencies		-			-		
Grants From Bilateral & Other Agencies		-			-		
Borrowings from Multilateral Agencies		-			-		
Borrowings from Bilateral Agencies		-			-		
Other Grants and Aid		-	-	-	-		
Other Borrowings		-			-		
Total Receipts - Operational Fund		**589,914.93**	-	-	**520,763.96**	-	-
PAYMENTS							
Operations:							
Wages, Salaries and Employee Benefits	7	398,818.84	-		282,339.57		
Supplies and Consumables	8	179,126.16	-		195,850.69		
TRANSFERS:	9						
Grants		-			-		
Other transfer payments		-			-		

STATEMENT OF CASH RECEIPTS AND PAYMENTS
(ALL PUBLIC FUNDS)
FOR THE FINANCIAL YEAR ENDED 30th JUNE 2018 (FY2017/2018)
RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
CAPITAL EXPENDITURES:	10						
Purchase/Construction of Property, plant and Equipment/Fixed Capital		-	-		-	-	
Purchase of Financial Instruments		-			-		
Total Payments - Operational Fund		**577,945.00**	-	-	**478,190.26**	-	-
Increase/Decrease in Cash		**11,969.93**	-	-	**42,573.70**	-	-
Cash at the beginning of the year (July 1, 2017)		44,811.56	-	-	2,237.87		
Net change in cash (receipts less payments)		-	-	-	-	-	-
Foreign currency translation difference		-	-				
Cash at the End of the year - Operational Fund		**56,781.49**	-	-	**44,811.57**	-	-
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)							
RECEIPTS							
External Assistance:	11						
Grants		-			-		
Loans		-			-		

STATEMENT OF CASH RECEIPTS AND PAYMENTS
(ALL PUBLIC FUNDS)
FOR THE FINANCIAL YEAR ENDED 30th JUNE 2018 (FY2017/2018)
RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Total Receipts - Capital Development Funds		-	-	-	-	-	-
PAYMENTS							
Operations:	12						
Wages, Salaries and Employee Benefits		-			-		
Supplies and Consumables		-			-		
TRANSFERS:	13						
Grants		-			-		
Other transfer payments							
CAPITAL EXPENDITURES:	14						
Purchase/Construction of Property, plant and Equipment/Fixed Capital		-	-		-		
Purchase of Financial Instruments		-					
Total Payments - Capital Development Funds		-	-	-	-	-	-
Increase/Decrease in Cash		-	-	-	-	-	-
Cash at the beginning of the year							

STATEMENT OF CASH RECEIPTS AND PAYMENTS
(ALL PUBLIC FUNDS)
FOR THE FINANCIAL YEAR ENDED 30th JUNE 2018 (FY2017/2018)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Net change in cash (receipts less payments)		-	-	-	-	-	-
Foreign currency translation difference							
Cash at the End of the year - Capital Development Funds		-	-	-	-	-	-
Cash at the Beginning of the year - All Funds (July 1, 2017)	15	44,811.56	-	-	2,237.87	-	-
Cash at the End of the year - All Funds (June 30, 2018)	15	56,781.49	-	-	44,811.57	-	-

STATEMENT OF COMPARISON OF GOL BUDGET AND ACTUAL AMOUNT (OPERATIONAL FUND)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

- Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2018 (FY2017/2018)					FY2016/2017
ACCOUNT TITLE/DESCRIPTION	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance	Actual Amounts
	US $'000	US $'000	US $'000	US $'000	%	US $'000
CASH INFLOWS						
Authorized Allocation/Appropriation	525,726.60	547,022.00	547,022.00	21,295.40	4%	481,779.54
Grants (Tuition Free Policy)	-	-	-	-	-	-
Other receipts	64,188.33	-	-	64,188.33	-	38,984.42
Total Cash Receipts	**589,914.93**	**547,022.00**	**547,022.00**	**(42,892.93)**	-8%	**520,763.96**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	398,818.84	469,350.00	469,350.00	70,531.16	15%	282,339.57
Goods and Services Consumed	126,907.76	77,672.00	77,672.00	(49,235.76)	-63%	199,439.97
Capital Expenditure	-	-	-	-	-	-
Transfers to other Government Units	-	-	-	-	-	-
Other Receipts	64,188.33	-	-	(64,188.33)	-	38,984.42
Total Cash Payments	**589,914.93**	**547,022.00**	**547,022.00**	**(42,892.93)**	-8%	**520,763.96**
NET CASH FLOW - OPERATIONAL FUND	-	-	-	-	-	

STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)

AS AT 30 JUNE 2018

Cash/Bank Account Details	Currency Held In	15	US $'000	US $'000	US $'000
OPERATIONAL FUND					
Petty Cash or Imprest					
Petty Cash A/c 1			-	-	
Petty Cash A/c 2					
Total held in petty cash:			-	-	-
Bank Accounts					
Bank AC			11,969.93	44,811.56	56,781.49
Total held in Bank:			11,969.93	44,811.56	56,781.49
Total Cash and Bank Balances at the end of the period (Operational Fund):			11,969.93	44,811.56	56,781.49
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)		21			
Petty Cash or Imprest					
Petty Cash A/c 1					
Petty Cash A/c 2					
Total held in petty cash:			-	-	-
Bank Accounts					
Project 1 Bank AC					
Project 2 Bank AC					
Total held in Bank Accounts:			-	-	-
Total Cash and Bank Balances at the end of the period (Donor Financed Projects):			-	-	-
TOTAL CASH AND BANK BALANCES - ALL PUBLIC FUNDS			11,969.93	44,811.56	56,781.49

NOTE 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL AUTHORISED ALLOCATIONS RECEIVED FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018

	Actual	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance	Actual
	FY 2017/18	FY 2017/18	FY 2017/18	FY 2017/18	FY 2017/18	FY 2016/17
	US $'000	US $'000	US $'000	US $'000		US $'000
Employee Compensation	398,818.84	469,350.00	469,350.00	70,531.16	15%	282,339.57
Goods and Services	126,907.76	77,672.00	77,672.00	(49,235.76)	-63%	199,439.97
Capital Expenditure	-	-	-	-	-	-
TOTAL RECEIPTS	**525,726.60**	**547,022.00**	**547,022.00**	**(21,295.40)**	**-4%**	**481,779.54**

NOTE 5 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL OTHER RECEIPTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018

	Actual	Final Budget	Original Budget	Variance (Actual vs. Revised Estimates)	% Variance	Actual
	FY 2017/18	FY 2017/18	FY 2017/18	FY 2017/18	FY 2017/18	FY 2016/17
	US $'000	US $'000	US $'000	US $'000		US $'000
Dividends				-	-	-
Rent				-	-	-
Other Property Income				-	-	-
Other Fees	64,188.33	-	-	64,188.33	-	38,984.42
Fines, Penalties and Forfeits				-	-	-
Miscellaneous receipts						
TOTAL OTHER RECEIPTS	64,188.33	-	-	64,188.33	-	38,984.42

NOTE 7 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL PAYMENTS MADE DURING THE FINANCIAL YEAR ENDED 30TH JUNE 2018

Account Title	Actual	Final Budget	Original Budget	Variance (Actual vs. Revised Estimates)	% Variance	Actual
	FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2016/17
	US $'000	US $'000	US $'000	US $'000		US $'000
Comparative Analysis by Economic Classification						
Wages, Salaries and other Employee Benefits						
Wages and Salaries	398,818.84	469,350.00	469,350.00	70,531.16	15%	282,339.57
Social Contributions				-	-	
Other Employee Costs				-	-	
GRAND TOTAL	**398,818.84**	**469,350.00**	**469,350.00**	**(70,531.16)**	**-15%**	**282,339.57**

NOTE 8 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL PAYMENTS MADE DURING THE FINANCIAL YEAR ENDED 30TH JUNE 2018

Account Title	Actual FY 2017/18	Final Budget FY 2017/18	Original Budget FY 2017/18	Variance (Actual vs. Revised Estimates) FY 2017/18	% Variance FY 2017/18	Actual FY 2016/17
	US $'000	US $'000	US $'000	US $'000		US $'000
Comparative Analysis by Economic Classification						
Supplies and Consumables						
Bank Charges	1,171.08	-	-	(1,171.08)	-	
Educational Materials and Supplies	9,720.98	10,000.00	10,000.00	279.02	3%	
Stationary	1,888.96	15,800.00	15,800.00	13,911.04	88%	
Residential Property Rental and Lease	6,107.28	2,500.00	2,500.00	(3,607.28)	-144%	
Repairs and Maintenance - Civil	11,505.15	10,592.00	10,592.00	(913.15)	-9%	
Computer Repairs	176.53	5,000.00	5,000.00	4,823.47	96%	
Telecommunications, Internet, Postage and Courier	1,127.66	-	-	(1,127.66)	-	
Other Office Materials and Consumables	9,384.85	-	-	(9,384.85)	-	
Workshops, Conference, Symposia and Seminars	2,164.79	-	-	(2,164.79)	-	
Domestic Travel	7,031.81	-	-	(7,031.81)	-	
Fuel and Lubricants - Vehicles	10,611.93	11,679.00	11,679.00	1,067.07	9%	
Repairs and Maintenance – Vehicles	10,746.18	11,400.00	11,400.00	653.82	6%	
Fuel and Lubricants – Generators	16,187.36	8,000.00	8,000.00	(8,187.36)	-102%	
Repairs and Maintenance – Generators	6,925.73	2,701.00	2,701.00	(4,224.73)	-156%	
Staff Aid	966.47	-	-	(966.47)	-	
Student Activities	37,159.32	-	-	(37,159.32)	-	
Professional Service (Casual Workers)	8,709.98	-	-	(8,709.98)	-	
Public Relations and Publicity	5,606.13	-	-	(5,606.13)	-	
Building Construction (Student Center)	17,903.97	-	-	(17,903.97)	-	
Generator Purchase	14,030.00	-	-	(14,030.00)	-	
GRAND TOTAL	**179,126.16**	**77,672.00**	**77,672.00**	**101,454.16**	**1.31**	-

NOTES OF EXPLANATIONS AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS

The numbered notes that follow relate directly to the content of the Financial Statements above and are numbered accordingly.

1. General Information – Reporting Entity

The financial statements are for Bomi Community College, a public sector entity of the Government of Liberia. The financial statements encompass the reporting entity as specified in the relevant Legislation (Public Finance Act 2012). The mandate of the Bomi Community College is to ensure access to quality, free and compulsory education and to provide educational opportunities which will enable people for better livelihood or tertiary education.

The Financial Statements presented above reflect the Cash Receipts and Payments of the Bomi Community College for the period ended 30th June 2018 on the basis of moneys received by, held in or paid out by the Bomi Community College during the year under review. The Entity controls its own bank accounts. Appropriations and other cash receipts are deposited into its bank accounts, from which cash expenditures are administered upon presentation of appropriate documentation and authorization.

The principal address of the reporting entity is Fatoma Compound Tubmanburg, Bomi Country, Liberia.

2. Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Liberia in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of the financial statements therein are set out below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS); Financial Reporting under the Cash Basis of Accounting. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently used throughout.

(b) Reporting currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LD) and the United States Dollar (USD) both of which are legal tenders. The attendant Financial Regulations to the PFM Act of 2009 states that:

"the monetary unit of Liberia for all government agency accounting and financial reporting shall be the Liberian Dollar. The United States Dollar may also be used for financial reporting purposes, but the Liberian Dollar is the base currency."

Hence, for the purpose of the Financial Statements being submitted, the United States Dollar is used as the reporting currencies, which is permitted under the attendant Financial Regulations to the PFM Act of 2009 and adopted by the Government of Liberia as its reporting currency.

(i) Translation of transactions in foreign currency

Foreign currency translations and transactions in Liberia Dollar and other foreign currencies are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Closing monetary balances are translated into the reporting currency using the closing rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

The year-end (30th June 2018) exchange rate for the Liberian Dollar was LD$137.99 per US$.

(c) Reporting Period

The reporting period for these financial statements is the financial year of the Government of Liberia, which runs from 1st July 2017 to the 30th June 2018.

(d) Receipts

Receipts represent cash received by Bomi Community College during the period under review, comprising Authorized allocations/appropriations and other receipts. Receipts are recognized as follows:

(i) Authorized Allocations/Appropriations

Authorized Allocations from the Government of Liberia are recognized when they are received and under the control of the Bomi Community College.

(ii) Other Receipts

Other Receipts are fees collected from students and proceed from sales of designated services by the Bomi Community College. Sales of goods and services are recognized in the period in which the payment for the goods and services are received and not necessarily when the service is rendered.

(iii) Expenses

In general, all expenses are recognized in the financial statements when paid for.

(iv) Property, Plant and Equipment (Physical assets of fixed assets)

Property, plant and equipment principally comprises land, buildings, plant, vehicles, equipment, and any other capital assets controlled by the Bomi Community College. Under the Government of Liberia Cash Basis of Accounting, purchase of property, plant and equipment are expensed fully in the year of purchase.

(e) Employee benefits

Employee benefits include salaries, wages, pensions and other related employment costs. Employee benefits are recognized when they are paid. No provision is made for accrued leave.