Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

On the Financial Statement Audit of the General Services Agency (GSA)

For the Year Ended June 30, 2017

December 2023

P. Garswa Jackson Sr. 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 General Services Agency (GSA) for the period ended June 30, 2017. 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 General Services Agency (GSA). 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
December 2023

December 3, 2024

Madam Mary T. Broh
Director General
General Services Agency
Monrovia, Liberia

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE GENERAL SERVICES AGENCY (GSA) FOR THE FISCAL PERIOD ENDED JUNE 30, 2017

Unqualified Opinion

We have audited the accompanying financial statements of the of the General Services Agency (GSA) for the year ended June 30, 2017. These financial statements comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amount for the year then ended and a summary of significant accounting policies and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amount in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis of Opinion

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 GSA in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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 opinion.

Management's Responsibilities

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

In preparing the financial statements, management is responsible for assessing the institution's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the institution or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standard of Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

GENERAL AUDITING COMMISSION
REPUBLIC OF LIBERIA

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

Monrovia, Liberia
December 2023

Financial Statement of the General Services Agency (GSA) FY Ended 2017

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2017 (FY2016/17)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTIES	PAYMENTS BY EXTERNAL PARTIES
		US$	US$	US$	US$	US$	US$
OPERATIONAL FUND							
RECEIPTS							
Authorized Allocation/Appropriation	4	-	2,428,929.87	-	-	2,025,520.41	-
Other Receipts	5	6,079.75	-	-	11,560.95	-	-
External Assistance:	6						
Grants From Multilatral Agencies		-	-	-	-	-	-
Grants From Bilateral & Other Agencies		-	-	-	-	-	-
Borrowings from Multilateral Agencies		-	-	-	-	-	-
Borrowings from Bilateral Agencies		-	-	-	-	-	-
Other Grants and Aid		382,116.83	-	-	1,062,353.67	-	-
Total Receipts - Operational Fund		**388,196.58**	**2,428,929.87**	**-**	**1,073,914.62**	**2,025,520.41**	**-**
PAYMENTS							
Operations:							

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2017 (FY2016/17)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTIES	PAYMENTS BY EXTERNAL PARTIES
Wages, Salaries and Employee Benefits	7	**20,584.05**	1,310,802.99	-	414,678.07	1,105,490.22	-
Supplies and Consumables	8	421,592.74	1,097,801.57	-	614,313.27	633,663.83	-
Transfers:	9						
Grants		-	-	-	-	-	-
Other transfer payments		-	-	-	-	-	-
Capital Expenditure	10						
Purchase/Construction of Property, plant and Equipment		-	20,325.31	-	35,000.00	286,366.36	-
Purchase of Financial Instruments		-	-	-	-	-	-
Total Payments - Operational Fund		**442,176.79**	**2,428,929.87**	**-**	**1,063,991.34**	**2,025,520.41**	**-**
Increase/Decrease in Cash		(53,980.21)	-	-	9,923.28	-	-
Cash at the beginning of the year		66,642.90	-	-	56,719.62	-	-

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2017 (FY2016/17)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTIES	PAYMENTS BY EXTERNAL PARTIES
Net change in cash (receipts less payments)		(53,980.21)	-	-	9,923.28	-	-
Foreign currency translation difference		-	-	-	-	-	-
Cash at End of the year - Operational Fund		**12,662.69**	**-**	**-**	**66,642.90**	**-**	**-**
Cash at the beginning of the year - All Funds	15	**66,642.90**	**-**	**-**	**56,719.62**	**-**	**-**
Cash at the End of the year - All Funds	15	**12,662.69**	**-**	**-**	**66,642.90**	**-**	**-**

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

RECEIPT BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2017 (FY2016/17)					FY2015/16
	Actual Amount	**Final Budget**	**Original Budget**	**Difference Final Budget and Actual**	**Percentage Variance**	**Actual Amounts**
	US$	**US$**	**US$**	**US$**	**%**	**US$**
CASH INFLOWS						
Authorized Allocation/Appropriation	2,428,929.87	2,656,791.99	3,848,622.00	227,862.12	(0.09)	2,025,520.41
Grants	382,116.83	-	-	(382,116.83)	-	1,062,353.67
Borrowings	-	-	-	-	-	-
Other receipts	6,079.75			(6,079.75)	-	11,560.95
Total Cash Receipts	**2,817,126.45**	**2,656,791.99**	**3,848,622.00**	**(160,334.46)**	**0.06**	**3,099,435.03**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	1,331,387.04	1,096,244.99	1,314,11.00	(235,142.05)	(0.21)	1,520,168.29
Goods and Services Consumed	1,519,394.31	1,375,016.00	1,277,636.00	(144,378.31)	(0.11)	1,247,977.10
Capital Expenditure	20,325.31	185,531.00	1,256,868.00	165,205.69	0.89	321,366.36
Transfers to other Government Units	-	-	-	-	-	-

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

RECEIPT BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2017 (FY2016/17)					FY2015/16
	Actual Amount	**Final Budget**	**Original Budget**	**Difference Final Budget and Actual**	**Percentage Variance**	**Actual Amounts**
Other Payments	-	-	-	-	-	-
Total Cash Payments	**2,871,106.66**	**2,656,791.99**	**2,534,504.00**	**(214,314.67)**	**0.08**	**3,089,511.75**
NET CASH FLOW - OPERATIONAL FUND	**(53,980.21)**	**-**	**1,314,118.00**	**53,980.21**	**-**	**9,923.28**

STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)

AS AT 30 JUNE 2017					
		Notes	As at 30 June 2017	As at 30 June 2016	Change in Cash Balances
Cash/Bank Account Details	**Currency Held In**	**15**	**US$**	**US$**	**US$**
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 1 (CBL - LRD)			2,213.18	62,345.68	60,132.50
Bank AC 2 (CBL - USD)			10,298.52	1,368.23	(8,930.29)
Bank AC 3 (LBDI-USD)			150.99	2,928.99	2,778.00
Total held in Bank Accounts:			**12,662.69**	**66,642.90**	**53,980.21**
Total Cash and Bank Balances at the end of the period (Operational Fund);			**12,662.69**	**66,642.90**	**(53,980.21)**
TOTAL CASH AND BANK BALANCES ALL PUBLIC FUNDS			**12,662.69**	**66,642.90**	**(53,980.21)**

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 Introduction

This Report provides commentary and analysis of the cash receipts and payments (as well as the financial performance) of the General Services Agency for the financial year ended 30th June 2019 and of its financial position as at that date.

2 The FY2016/17 Approved Budget

At the commencement of the fiscal period 2016/17, the National Legislature appropriated a total of Three Million Eight Hundred Forty-Eight Thousand Six Hundred Twenty-Two United States Dollars (US$3,848,622.00).

3 Summary

The FY2016/17 reflected an operating surplus (net cash outflow/inflow) of US$12,662.69. The surplus of FY2016/17 when compared to the operating surplus US$66,642.90 in the previous year, there was a great decrease in cash inflow in FY2016/2017 than FY2015/2016. Details of the activities are reflected in the Statement of Receipts and Payments and the corresponding Notes to the Financial Statements.

4 Authorized Appropriation/Allocations

The total allotment received from the Ministry of Finance and Development Planning (MFDP) for FY2016/17 amounted to Two Million Four Hundred Twenty Eight Thousand Nine Hundred Twenty Nine United States Dollars and Eighty Seven Cents (US$2,428,692.87), representing a decrease of One Million Four Hundred Nineteen Thousand Six Hundred Ninety Two United States Dollars and Thirteen Cents (US$1,419,692.13) or 36.9% of the approved budgeted amount of Three Million Eight Hundred Forty-Eight Thousand Six Hundred Twenty Two United States Dollars (US$3,848,622.00) and an increase of Four Hundred Three Thousand Four Hundred Nine United States Dollars and Forty Six Cents (US$403,409.46) 19.9% to the previous year allotment of US$2,025,525.41.

5 Other Receipts

The total amount of Six Thousand Seventy-Nine United States Dollars and Seventy-Five Cents (US$6,079.75) was received and classified as rental income for the FY2016/2017 and was reported on the financial statement as a component of other receipts.

6 Expenditure – Operational Fund

Expenditure analysis in the various components of Wages and other Employee Benefits, Goods and Services and Capital Expenditure for the FY2016/2017 are provided below:

a. Employee benefits

Compensation to Employees for the FY2016/17 amounted to One Million Three Hundred Thirty-One Thousand Three Hundred Eighty-Seven United States Dollars and Four Cents (US$1,331,387.04) and was underspent by 12.4% (US$188,781.25) when compare with FY2015/16 employees benefit of (US$1,520,168.29). Compensation of employees decreased for FY2016/2017 due to the laying off of some staffs that were surplus to requirement.

b. Goods and Services

Goods and Services expenditure for FY2016/17 amounted to US$1,519,394.31 and exceeded budgeted amount of US$1,277,636.00. the expenditure on goods and services for FY2016/17 increased by an amount of US271,417.21 when compare with FY2015/2016 goods and services expenditure of US$1,247,977.10. Spending on goods and services increased due to the acquisition of additional materials for special projects the agency undertook.

c. Capital Expenditure

Expenditure on capital assets for the FY2016/2017 was Twenty Thousand Three Hundred Twenty-Five United States Dollars and Thirty-One Cent (US$20,325.31) representing 1.6% of budgeted amount of (US$1,256,868.00). There was a decreased in spending on capital assets of Three Hundred One Thousand Forty-One United States Dollars and five Cents (US$301,041.05) when compares to FY2015/16 spending of (US$321,366.36). Spending on capital assets decreased due to insufficient resources to purchase additional transport equipment and machinery.

7 Outstanding Commitments/Obligations

There were various outstanding obligations as of 30th June 2017 summing up to the amount of Seven Hundred Forty-Nine United States Dollars and Ninety-Six Cents (US$749.96) as balance for various repairs and maintenance services rendered to the agency in the repair and maintenance of vehicles, generators and civil which were not cleared before the end of the fiscal year FY2016/17.

8 Cash Balance

At the end of the FY2016/2017, the agency accounts balance with various banks totaled Twelve Thousand Six Hundred Sixty-Two United States Dollars and Sixty-Nine Cents (US$12,662.69).

9 Conclusion

The General Services Agency is committed to transparency and prudent financial management practice, ensuring necessary cost savings and expenditure control measures are in place to enhance its cash management. Significant challenges are envisaged and great efforts will be made in improving compliance with the PFM Act of 2009 and the PPCA 2010, deriving value for money and maximum benefits from amounts spent on operations.

The Financial Statements for the financial year ended 30th June 2017 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.