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, 2018

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, 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 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, 2023

Hon. Mary T. Broh
Director General
General Services Agency (GSA)
Monrovia, Liberia

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE GENERAL SERVICES AGENCY (GSA) FOR THE FISCAL PERIOD ENDED JUNE 30, 2018

Unqualified Opinion

We have audited the accompanying financial statements of the of the General Services Agency (GSA) for the year ended June 30, 2018. 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.

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 2018

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018 (FY2017/18)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		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	-	2,321,877.75	-	-	2,428,929.87	-
Other Receipts	5	11,754.39	-	-	6,079.75	-	-
External Assistance:	6						
Grants From Multilatral Agencies		-	-	-	-	-	-
Grants From Bilateral & Other Agencies		-	-	-	-	-	-

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018 (FY2017/18)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		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
Borrowings from Multilateral Agencies		-	-	-	-	-	-
Borrowings from Bilateral Agencies		-	-	-	-	-	-
Other Grants and Aid		305,367.40	-	-	382,116.83	-	-
Total Receipts - Operational Fund		**317,121.79**	**2,321,877.75**	**-**	**388,196.58**	**2,428,929.87**	
PAYMENTS							
Operations:							
Wages, Salaries and Employee Benefits	**7**	-	1,491,841.92	-	20,584.05	1,310,802.99	
Supplies and Consumables	**8**	326,993.81	830,035.83	-	421,592.74	1,097,801.57	
Transfer:	**9**						
Grants		-			-		

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018 (FY2017/18)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		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
			-	-		-	-
Other transfer payments		-	-	-	-	-	-
Capital Expenditures:	**10**						
Purchase/Construction of Property, plant and Equipment		-	-	-	-	20,325.31	-
Purchase of Financial Instruments		-	-	-	-	-	-
Total Payments - Operational Fund		**326,993.81**	**2,321,877.75**	**-**	**442,176.79**	**2,429,929.87**	**-**
Increase/Decrease in Cash		(9,872.02)	-	-	(53,980.21)	-	-
Cash at the beginning of the		12,662.69			66,642.90	-	-

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018 (FY2017/18)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		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
year							
Net change in cash (receipts less payments)		(9,872.02)	-	-	(53,980.21)	-	-
Foreign currency translation difference							
Cash at End of the year - Operational Fund		**2,790.67**	**-**	**-**	**12,662.69**	**-**	**-**

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

RECEIPT BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2018 (FY2017/18)					FY2016/17
ACCOUNT TITLE/DESCRIPTION	**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	2,321,877.75	2,671,609.83	2,308,490.00	349,732.08	(0.13)	2,428,929.87
Grants	305,367.40	-	-	(305,367.40)	-	382,116.83
Borrowings	-	-	-	-	-	-
Other receipts	11,754.39			(11,754.39)	-	6,079.75
Total Cash Receipts	**2,638,999.54**	**2,671,609.83**	**2,308,490.00**	**(32,610.29)**	**(0.01)**	**2,817,126.45**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	1,491,841.92	1,492,925.83	1,314,115.00	1,083.91	-	1,331,387.04
Goods and Services Consumed	1,157,029.64	1,178,684.00	994,375.00	21,654.36	0.02	1,519,394.31
Capital Expenditure	-	-	-	-	-	20,325.31
Transfers to other Government Units	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
Total Cash Payments	**2,648,871.56**	**2,671,609.83**	**2,308,490.00**	**(22,738.27)**	**(0.01)**	**2,871,106.66**
NET CASH FLOW - OPERATIONAL FUND	**(9,872.02)**	**-**	**-**	**(9,872.02)**	**-**	**(53,980.21)**

Ensuring Accountability of Public Resources

STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)

AS AT 30 JUNE 2018					
		Notes	**As at 30 June 2018**	**As at 30 June 2017**	**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)			1,996.76	2,213.18	(216.42)
Bank AC 2 (CBL - USD)			793.91	10,298.52	(9,504.61)
Bank AC 3 (LBDI-USD)			-	150.99	(150.99)
Total held in Bank Accounts:			**2,790.67**	**12,662.69**	**(9,872.02)**
Total Cash and Bank Balances at the end of the period (Operational Fund);			**2,790.67**	**12,662.69**	**(9,872.02)**
TOTAL CASH AND BANK BALANCES ALL PUBLIC FUNDS			**2,790.67**	**12,662.69**	**(9,872.02)**

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 FY2017/18 Approved Budget

At the onset of the fiscal period 2017/18, the National Legislature appropriated a total of Two Million Three Hundred Eight Thousand Four Hundred Ninety United States Dollars (US$2,308,490.00). The said approved amount was later revised by an upfront addition of US$363,119.83 to sum up to US$2,671,609.83 for the 2017/18 fiscal year.

3 Summary

The FY2017/18 reflected an operating deficit (net cash flow) of US$-9,872.02. The deficit of FY2017/18 when compare with the operating deficit of US$-53,980.21 of the previous year, there was a moderate decrease in the cash inflow and outflow in FY2017/18 than in FY2016/17. Moreover, the deficit in FY2017/18 improved greatly than the deficit of FY2016/17 due to the lack of spending on capital assets, as no additional purchases of transport equipment and machinery were made over the period under review. 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 FY2017/18 amounted to Two Million Three Hundred Twenty One Thousand Eight Hundred Seventy Seven United States Dollars and Seventy Five Cents (US$2,321,877.75), representing 86.9% of the revised budget of Two Million Six Hundred Seventy One Thousand Six Hundred Nine United States Dollars and Eighty Three Cents (US$2,671,609.83) and decrease by an amount of One Hundred Seven Thousand Fifty Two United States Dollars and Twelve Cents (US$107,052.12) or 4.4% when compare to the previous year allotments received of US$2,428,929.87.

5 Other Receipts

The total amount of Eleven Thousand Seven Hundred Fifty-Four United States Dollars and Thirty-Nine Cents (US$11,754.39) was received and classified as rental income for the FY2017/2018 and was reported on the financial statement as a component of other receipts. The said amount was solely generated from daily rental fees charged to individuals and organizations for the usage of the Executive Pavilion.

6 Expenditure – Operational Fund

Expenditure analysis in the various components of Wages and other Employee Benefits, Goods and Services and Capital Expenditure for the FY2017/2018 are provided below:

a. Employee benefits

Compensation to Employees for the FY2017/18 amounted to One Million Four Hundred Ninety-One Thousand Eight Hundred Forty-One United States Dollars and Ninety-Two Cents (US$1,491,841.92) and increased by 12.05% or US$160,454.88 when compares to 2016/17 employees benefit of US$1,331,387.04. Compensation of employees increased for FY2017/2018 due to the return of GSA staff who were previously assigned with the World Food Program (WFP) and with their full monthly remunerations been absorbed into the GSA payroll.

b. Goods and Services

Goods and Services expenditure for FY2017/18 amounted to US$1,157,029.64 and was 98.16% of revised goods and services budgeted amount of US$1,178,684.00. The expenditure on goods and services for FY2017/18 decreased by an amount of US$362,364.67 or 23.85% when compare to FY2016/2017 goods and services expenditure of US$1,519,394.31. Spending on goods and services decreased due to the dropped in the number of special projects implemented by the agency for the period under review.

c. Capital Expenditure

Unlike in the previous year where spending on capital assets amounted to US$20,325.31, there were neither expenditure incurred nor additional purchases of capital assets (Transportation equipment, Machineries, etc) for FY2017/18. Spending on capital assets declined to zero for the period due to the absent resource allocation to capital assets in the 2017/2018 approved budget. As the result, the Agency was unable to additional transport equipment and machinery.

7 Outstanding Commitments/Obligations

There were various outstanding obligations as of 30th June 2018 summing up to Twenty-Two Thousand Four Hundred Fifty-Eight United States Dollars and Forty-Nine Cents (US$22,458.49) as balance for vehicle insurance, cleaning materials, stationery and various repairs and maintenance services rendered to the Agency in the repair and maintenance of vehicles and civil which were not cleared before the end of the fiscal year FY2017/2018.

8 Cash Balance

At the end of the FY2017/2018, the agency accounts balance with various banks totaled Two Thousand Seven Hundred Ninety United States Dollars and Sixty-Seven Cents (US$2,79.67).

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 2018 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.