Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

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

For the Year Ended June 30, 2019

December 2023

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

Table of Contents

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, 2019. 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
Monrovia, Liberia

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE GENERAL SERVICES AGENCY (GSA) FOR THE FISCAL PERIOD ENDED JUNE 30, 2019

Unqualified Opinion

We have audited the accompanying financial statements of the of the General Services Agency (GSA) for the year ended June 30, 2019. 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 2019

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019 (FY2018/19)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018		
	NOTES	**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**	-	1,409,382.36	-	-	2,321,877.75	-
Other Receipts	**5**	185,085.75	-	-	11,754.39	-	-
External Assistance:	**6**						
Grants From Multilateral Agencies		-	-	-	-	-	-
Grants From Bilateral & Other Agencies		-	-	-	-	-	-
Borrowings from Multilateral Agencies		-	-	-	-	-	-
Borrowings from Bilateral Agencies		-	-	-	-	-	-
Other Grants and Aid		96,487.55	-	-	305,367.40	-	-
Total Receipts - Operational Fund		**281,573.30**	**1,409,382.36**	**-**	**317,121.79**	**2,321,877.75**	**-**
PAYMENTS							

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019 (FY2018/19)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019			**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**		
	NOTES	**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**
Operations:							
Wages, Salaries and Employee Benefits	**7**	-	1,231,929.37	-	-	1,491,841.92	-
Supplies and Consumables	**8**	252,100.14	177,452.99	-	326,993.81	830,035.83	-
Transfer:	**9**						
Grants		-	-	-	-	-	-
Other transfer payments		-	-	-	-	-	-
Capital Expenditures	**10**						
Purchase/Construction of Property, plant and Equipment		-	-	-	-	-	-
Purchase of Financial Instruments		-	-	-	-	-	-
Total Payments - Operational Fund		**252,100.14**	**1,409,382.36**	**-**	**326,993.81**	**2,321,877.75**	**-**
Increase/Decrease in Cash		29,473.16	-	-	(9,872.02)	-	-
Cash at the beginning of the year		2,790.67	-	-	12,662.69	-	-

Ensuring Accountability of Public Resources

STATEMENT OF CASH RECEIPTS AND PAYMENTS

(ALL PUBLIC FUNDS)

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019 (FY2018/19)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

		FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018		
	NOTES	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)		29,473.16	-	-	(9,872.02)	-	-
Foreign currency translation difference							
Cash at End of the year - Operational Fund		**32,263.83**	**-**	**-**	**2,790.67**	**-**	**-**

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

RECEIPT BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2019 (FY2018/19)					2017/2018
	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	1,409,382.36	1,662,485.00	1,777,290.00	253,102.64	15%	2,321,877.75
Grants	96,487.55	-	-	(96,487.55)	0%	305,367.40
Borrowings	-	-	-	-	0%	
Other receipts	185,085.75			(185,085.75)	0%	11,754.39
Total Cash Receipts	**1,690,955.66**	**1,662,485.00**	**1,777,290.00**	**(28,470.66)**	**-2%**	**2,638,999.54**
CASH OUTFLOWS				-		
Wages, Salaries and Other Employee Benefits	1,231,929.37	1,243,620.00	1,310,674.00	11,690.63	1%	1,491,841.92
Goods and Services Consumed	429,553.13	418,865.00	466,616.00	(10,688.13)	-3%	1,157,029.64
Capital Expenditure	-	-	-	-		-
Transfers to other Government Units				-		

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

RECEIPT BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

Budget Approved on the Cash Basis

	For the Financial Year Ended 30 June 2019 (FY2018/19)					2017/2018
	Actual Amount	Final Budget	Original Budget	Difference Final Budget and Actual	Percentage Variance	Actual Amounts
Other Payments	-	-	-	-	-	-
Total Cash Payments	**1,661,482.50**	**1,662,485.00**	**1,777,290.00**	**1,002.50**	**0%**	**2,648,871.56**
NET CASH FLOW - OPERATIONAL FUND	**29,473.16**	**-**	**-**	**(29,473.16)**		**(9,872.02)**

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 (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 FY2018/19 Approved Budget

At the commencement of the fiscal period 2018/19, the National Legislature approved the total of One Million Seven Hundred Seventy-Seven Thousand Two Hundred Ninety United States Dollars (US$1,777,290.00). The said approved amount was later revised by a downward adjustment of US$114,805.00 to get the final amount of US $1,662,485.00 for the 2018/2019 fiscal year. A further comparison of the 2018/2019 revised budget of US$1,662,485.00 and the 2017/2018 revised budget of US$2,671,609.83 exposed that the 2018/2019 budget decreased by US$1,009,124.83 or say 37.77% of the previous year revised budget.

3 Summary

The FY2018/19 reflected an operating surplus (net cash flow) of US$29,473.16. The surplus of FY2018/19 when compared with the operating deficit of US$-9,872.02 of the previous year, there was a moderate increase in cash inflow accompany by substantial control in cash outflow in FY2018/19 than in FY2017/2018. Moreover, the surplus in 2018/2019 improved greatly than the deficit of 2017/2018 due to stringent cost control in spending on goods and services with the view of maximizing cash and cutting cost on wasteful expenditures in line with the Pro-Poor Agenda for Prosperity and Development (PAPD). Furthermore, the FY2018/2019 like the previous fiscal year made no additional purchases of transport equipment and machinery for 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

Over the year, allotment made by the Ministry of Finance and Development Planning (MFDP) for FY2018/19 were in the tune of One Million Six Hundred Nine Thousand Fifty Seven United States Dollars (US$1,609,057.00), while actual allocations received from MFDP summed up in the tune of One Million Four Hundred Nine Thousand Three Hundred Eighty Two United Stated Dollars and Thirty Six Cents (US$1,409,382.36), representing approximately 87.59% of total allotment and 84.78% of the revised budget of One Million Six Hundred Sixty Two Thousand Four Hundred Eighty Five United States Dollars (US$1,662,485.00). The said 2018/2019 actual allotments received from MFDP decrease by an amount of Nine Hundred Twelve Thousand Four Hundred Ninety-Five United States Dollars and Thirty-Nine Cents (US $912,495.39) or 39.30% when compare to the previous year actual received allotments of US$2,321,877.75.

Furthermore, of the US$912,495.39 decline in allotments for 2018/2019, employee's compensation decreased by US$259,912.55 or 11.19% and goods and services decreased by US$652,582.84 or 78.62% of the previous year allotments received.

5 Other Receipts

The amount of One Hundred Eighty-Five Thousand Eighty-Five United States Dollars and Seventy-Five Cents (US$185,085.75) were received and classified as rental income for FY2018/2019 and was reported on the financial statement as a component of other receipts. The said amount was solely generated from rental arrears due the Government of Liberia by individuals and organizations for the usage of other governmental properties.

6 Other Grants and Aid

Funds received and reported under other grants and aid are based on off-budget support received from our development partners including but not limited to funding from other line ministries, agencies and commissions with the goal of implementing specific project(s) for said MACs. These funds are not part of the Agency government wide budget and that spending are based on expenditures incurred on project(s) for which they are intended for.

Therefore, the amount of Ninety-Six Thousand Four Hundred Eighty-Seven United States Dollars and Fifty-Five Cents (US$96,487.55) were received from our development partners for FY2018/2019.

7 Expenditure – Operational Fund

Expenditure analysis in the various components of Wages and other Employee Benefits, Goods and Services and Capital Expenditure for FY2018/2019 are provided below:

a. Employee benefits

Compensation to Employees for FY2018/19 amounted to One Million Two Hundred Thirty-One Thousand Nine Hundred Twenty-Nine United States Dollars and Thirty-Seven Cents (US$1,231,929.37) and decreased by 17.42% or US$259,912.55 when compares to FY2017/18 employees benefit of US$1,491,841.92. Compensation of employees slightly decreased for FY2018/2019 due to the retirement or pensioning of some staffs of the Agency in line with the Government of Liberia Civil Servants Policy in regards to age and tenure, as well as the returned of some employees of the Ministry of State (MOS) who were previously transferred to the Agency.

b. Goods and Services

Goods and Services expenditure for FY2018/19 amounted to US $429,553.13, and consisted of budgeted expenditure of US$177,452.99 or 42.37% of revised goods and services budgeted amount of US $418,865.00. While off-budget goods and services expenditure which focused on special project(s) were in the tune of US$252,100.14. The budgeted expenditure on goods and services for FY2018/19 declined by an amount of US$652,582.84 or 78.62% when compare to FY2017/2018 budgeted goods and services expenditure of US $830,035.83. Spending on goods and services decreased due to stringent cost control and the cutting of wasteful expenditure on goods and services.

c. Capital Expenditure

Like the previous year where no allocations were made in the agency budget for the purchase of capital assets (Transport equipment, Machineries, etc.), there were no expenditure incurred on capital assets for FY2018/2019. Spending on capital assets declined to zero for the period due to the absent of resource allocation to capital assets in the 2018/2019 approved budget. As the result, the Agency was unable to purchase additional transport equipment and machinery in aiding it workforce to commute to and from work.

8 Outstanding Commitments/Obligations

There were various outstanding obligations as of 30th June 2019 summing up to One Hundred Fifty-Three Thousand Eight Hundred Forty-Four United States Dollars (US$153,844.00) for the settlement of various vendors for goods and services rendered to the Agency which were not cleared before the end of the fiscal year FY2018/2019.

9 Cash Balance

At the end of the FY2018/2019, the agency accounts balance with various banks amounted to Thirty-Two Thousand One Hundred Sixty-Three United States Dollars and Ninety-Three Cents (US$32,163.93).

10 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 2019 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.