Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

On the Financial Statements Audit of the Governance Commission (GC)

For the period July 1, 2019 to June 30 2020

December 2023

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

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ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
FCCA	Fellow Chartered Certified Accountants
AFP	Audit Focal Person
AG	Auditor General
CFC	Certified Financial Consultant
CFIP	Certified Financial Investigation Professional
ED	Executive Director
F/S	Financial Statements
GC	Governance Commission
GoL	Government of Liberia
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Reports
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
No.	Number
N/A	Not Applicable
QPR	Quarterly Progress Report
Qty	Quantity
SOE	Statement of Expenditures
ToR	Term of Reference
USD	United States Dollars

Republic of Liberia

TRANSMITTAL LETTER

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

We have undertaken a financial statements Audit of the Governance Commission (GC) for the fiscal period July 1, 2019 to June 30, 2020. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Findings conveyed in this report were formally communicated to the authorities of the Governance Commission (GC) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

Given the significance of the matters raised in this report, we urge the Honourable Speaker and Members of the House of Representatives and the Honourable Pro- Tempore and Members of the Liberia Senate to consider the implementation of the recommendations conveyed in this report with urgency.

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

Monrovia, Liberia
December 2023

May 7, 2025

Hon. Alaric K. Tokpah
Chairman
Governance Commission
9th Street, Sinkor
Monrovia, Liberia

Dear Hon. Tokpah:

AUDITOR GENERAL'S REPORT ON THE FINANCAL STATEMENTS AUDIT OF THE GOVERNANCE COMMISSION (GC) FOR THE PERIOD ENDED JUNE 30, 2020

Adverse Opinion
We have audited the financial statements of the Governance Commission (GC) for the fiscal period July 1, 2019 to June 30, 2020 which comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amount and a summary of accounting policies and other explanatory information.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly the financial position of the Governance Commission (GC), as at 30 June 2020, and the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, summary of accounting policies and other explanatory information for the year then ended in accordance with IPSAS Cash Basis of Accounting (2017).

Basis for Adverse Opinion
During our audit of the financial statements of Governance Commission (GC), for the fiscal year ending June 30 2020, we identified several significant issues that have led to our adverse opinion:

- The notes to the financial statements were not presented in a systematic manner as prescribed by the Standards.

- The actual amount disbursed to Governance Commission (GC) as recorded in the MFDP Fiscal Outturn Report was US$1,030,783.00 whereas, in the financial statements, Management reported the total amount of US$1,123,685.00 as total amount received. This resulted in a variance of US$92,902.00.

- The actual amount disbursed to Governance Commission (GC) as Compensation for employees recorded in the IFMIS record was US$ US$3,237,277.61 whereas, in the financial statements, Management reported the total amount of US$1,101,700.71 as total amount received. This resulted in a variance of US$2,135,576.90.

- Transactions amounting to US$1,643,907.93 and L$184,342.12 were not reflected in the general ledger presented by Management. A comparable ledger was spooled from the IFMIS system by the GAC.

- Transactions amounting to US$8,198.89 were expended for various goods and services without the required authorized signatories.

- Bank reconciliation statements for Guaranty Trust Bank (GTB) account No. 203304887210, 203304887212, 203304887110, 203304887112, were not prepared for several months.

- Management disbursed US$3,561.07 as employees' contributions to NASSCORP without evidence of receipts from NASSCORP attached.

- Management withheld the total amount of US$45,358.65 as taxes from basic salary without evidence that the amount was remitted to the LRA.

- Management of GC procured and utilized fuel amounting US$ 1,105.20 without a distribution log.

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, 2020.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions. 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 Governance Commission in accordance with 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 adverse opinion.

Management's Responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, 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. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The GC Management is responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility

Our objectives 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 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.

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

Monrovia, Liberia
December 2023

STATEMENT OF RESPONSIBILITIES

The Financial Statements as set out on pages 16 to 23 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 Governance Commission.

Under the provisions of the same Act, I am required to prepare unaudited Final Account of the Governance Commission to be submitted to the Minister of Finance and Development Planning, two months after the end of the financial year to which it relates. However, I have delegated the preparation of the unaudited Final Account to the Finance Manager 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 Annual Public Account of the Governance Commission in compliance with the PFM Act and its attendant Regulations. I have provided, and will continue to provide, all the 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.

……………………………………………
Elizabeth Dorkin
Commissioner/Office-In-Charge

Governance Commission

August 20, 2020……………………………………
Date

MANAGEMENT DISCUSSIONS and ANALYSES

Background

Following the cessation of hostilities in Liberia in 2003, the Government of Liberia was authorized by the Accra Comprehensive Peace Agreement (ACPA) to establish the Governance Reform Commission to promote good governance, cognizant of the fact that bad governance was one of the underlying causes of perennial conflict and underdevelopment in Liberia.

The Governance Reform Commission metamorphosed into the Governance Commission through an Act of the National Legislature in October 2007, with a goal of achieving and maintaining 'a holistic system of good governance that is inclusive, participatory and just, and which promotes national oneness, sound public sector management, efficient and fair allocation and use of resources, and a culture of honesty and integrity.

The Commission is composed of five mandate areas, namely: Political and Legal Reform/Decentralization; Public Sector Reform; Civic Engagement, National Identity and Visioning; National Integrity Systems; and Monitoring, Evaluation, Research and Publications. There are five full time commissioners, headed by a Chairman, with each commissioner having oversight responsibility of a mandate area that is staffed by program managers, policy analysts and research assistants. The Secretariat, supervised by an Executive Director, provides support services for the mandate areas and heads the administrative arm of the Commission.

Political & Legal Reform (Decentralization) efforts:

This Mandate Area developed a collaborated with partners and developed a five-year plan for the implementation of the Decentralization Support Program. The plan has been validated and approved. At the same time, the Mandate Area has completed and launched the proposed Revenue Sharing Formula for Central and Local Governments in Liberia under the Decentralization frameworks with the objective to propel sustainable fiscal decentralization under the Government's Pro-Poor Agenda for Prosperity and Development (PAPD). Furthermore, the formula-based revenue allocation process that the Revenue Sharing Formula will bring about will ensure equity in, and foster better planning and more predictability in local government financing in Liberia.

In collaboration with stakeholders this Mandate Area also developed and distributed a Standard Operating Procedure Manual for the County Service Centers established in all 15 counties of the Republic. The main objective of the Manual is to improve efficiency, effectiveness and accountability in the service delivery efforts of the County Service Centers. Further to that, the PLR conducted a joint County Service Centers Impact Assessment on service delivery. Report has been completed and awaiting validation.

Public Sector Reform (PSR) efforts:

A number of activities were carried out including the Mandate and Functions Reviews (MFRs) of a number of public institutions.

Among those included the drafting of a comprehensive legislation to establish the Ministry of Local Government (replacing the Ministry of Internal Affairs). This Act proposes a restructured plan for the anticipated new ministry which is in synced with the Local Government Act.

The Commission conducted the Mandate and Functions Reviews (MFRs) of the Ministry of Information, Culture and Tourism (MICAT), as well as the National AIDS Commission (NAC). The MFR of MICAT led to the drafting and submission of a legislation to establish the Liberia National Tourism Authority (LNTA). The Act seeks to establish an autonomous entity which will focus on the development and promotion of the tourism sector in Liberia. The current Act establishing the NAC was reviewed by the GC, and followed by the conduct of a mandate and functions review on the National AIDS Commission. A restructuring plan for NAC and recommendation were submitted to the Board of the National AIDS Commission. The restructured NAC will give the entity a new mandate and specific core functions as the nation’s lead in the fight against the AIDS pandemic.

The commission along with partners held four (4) policy dialogues and produced policy briefs for policy actions. They were as follows:

1. Promoting Transparency and Accountability in the management of extractive industries in Liberia to enhance national development;
2. Integrating Value Addition into Small-Scale Agriculture for Sustained Domestic Revenue Growth;
3. Effective Management of Artisanal and Small-scale Mining (ASM)
4. Illicit Substance Trafficking and Abuse.

Civil Society Engagements:
Through its effective capacity building support to the National Civil Society Council of Liberia (NCSCL), the GC facilitated the conduct of election for the National Civil Society Council of Liberia (NCSCL) new leadership. This effort helped to significantly reduce a long standing conflict among member institutions of the NCSCL which has impeded its ability to effectively engage with national policy issues.

Promoting integrity across government:
The governance Commission as the Lead for Pillar 4 (Governance and Transparency) of the Pro-Poor Agenda for Prosperity and Development (PAPD) champions all efforts of the pillar including those on anti-corruption. In this vein, the Commission worked with Liberia Anti-Corruption Commission and other integrity institutions to convene a National Anti-Corruption Conference. The report of that conference proffered a number of Strategic Objective aimed at strengthening the fight against corruption.

Monitoring, Evaluation, Research and Publication:
The Commission is tasked with the responsibility to assess impact of public policies on the lives of Liberian people, and produce an Annual Governance Report (AGR) in which it promulgates and proffers policy recommendations aimed at enhancing the effectiveness of such policies. The 2019/2020 AGR focuses on impact of existing public policies on against illicit substance trafficking and abuse in Liberia. The Commission has conducted a policy dialogue around this and produced a

policy brief. A survey instrument has been produced by the Commission, enumerators trained, and data collection process is currently underway.

Challenges:
The key challenge of the Commission is the lack of funding to implement its mandate and functions. This is further exhibited by absence of a fully constituted Board of Commissioners including a Chairman. The absence of an appointed Chair and a full board makes it difficult for the Commission to engage with development partners for support for its program activities.

Due to the outbreak of COVID-19, the pillar could not achieve a good number of milestones set out under Pillar 4 of the PAPD which the Commission champions.

REPORT OF THE FINANCE MANAGER

1 Introduction

This Report provides commentary and analysis of the cash receipts and payments (as well as financial performance) of the Governance Commission for the Fiscal year ended 30th June 2020 and of its financial position as at that date.

2 The FY2019/20 Approved Budget

Governance Commission had a draft budget of US$1,112,136 for the year under review. The final budget approved by the Government for the year was US$1,121,277; of this amount, the Commission received US$1,121,949.25 from MOFDP. This represents an increased in allotment of US$672.25 which is less than 1%.

3 Summary

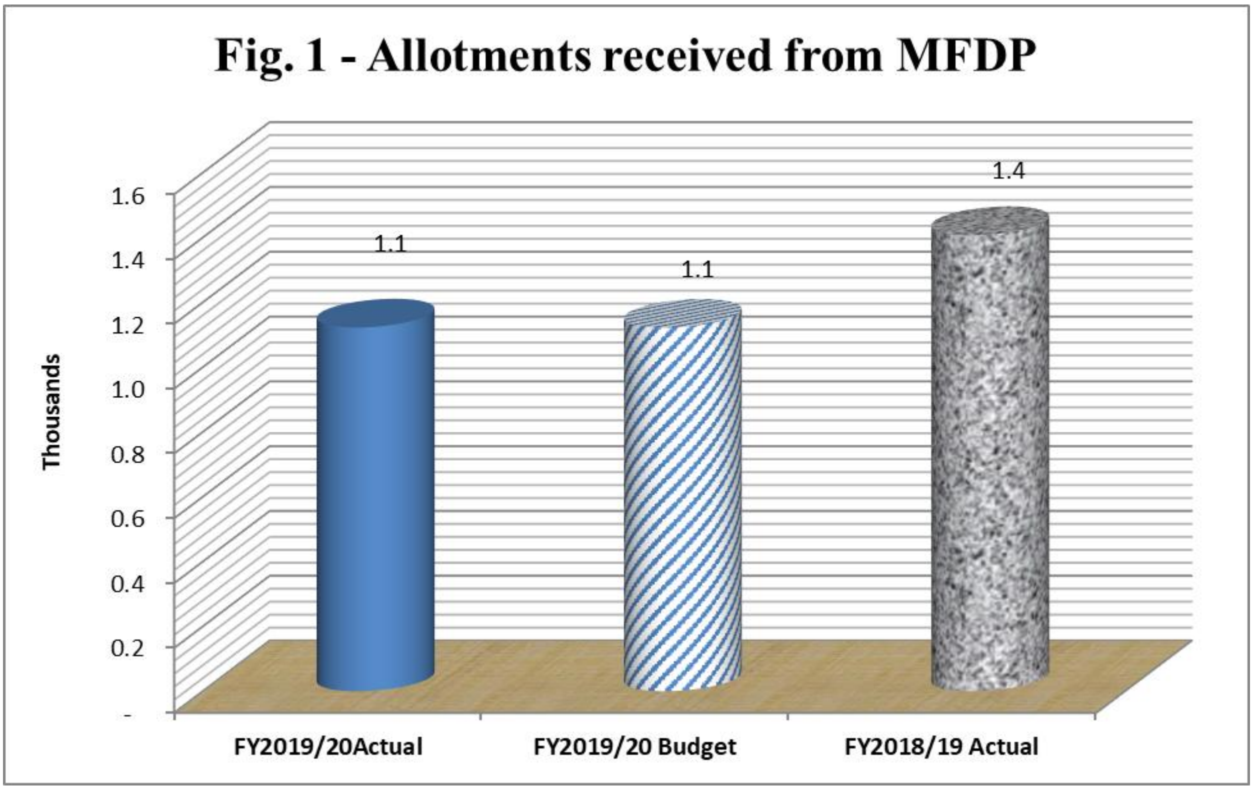
GOVERNANCE COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (GENERAL FUND)
FOR Fiscal year 2019-2020 ENDED 30th June 2020

- Budget Approved on the Cash Basis

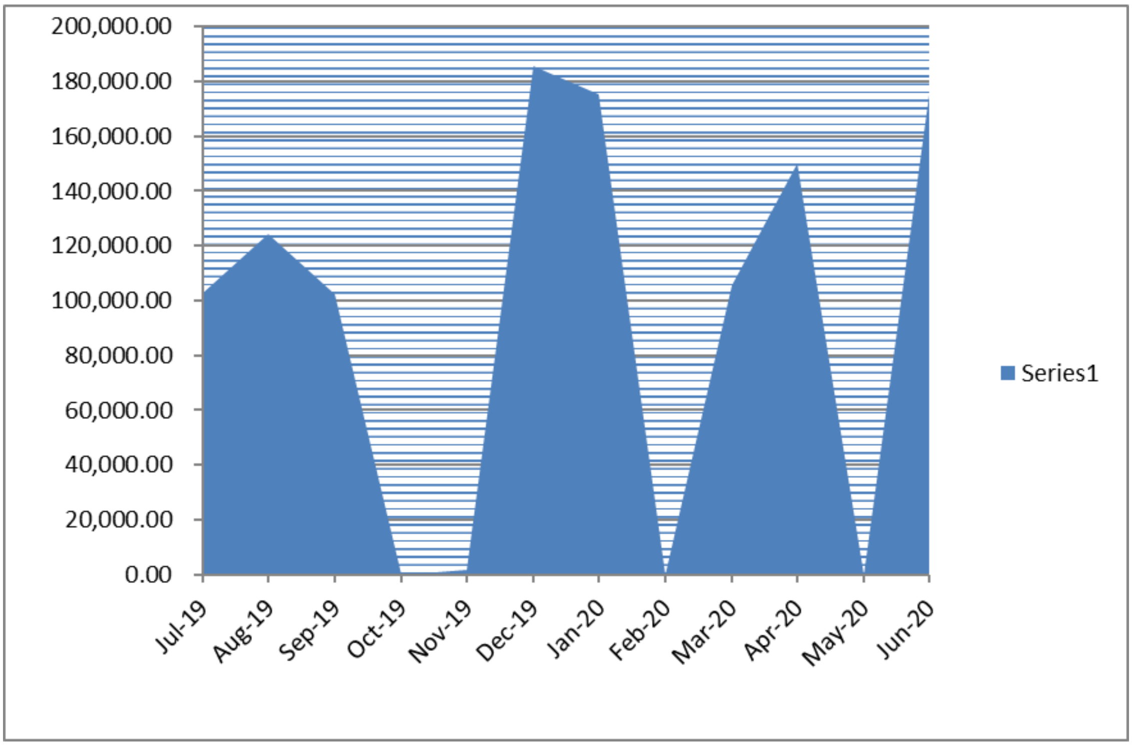
	For the Fiscal year Ended 30th June 2020 (FY2019/20)					FY2018/19
ACCOUNT TITLE/DESCRIPTION	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance	Actual Amounts
	US $'000	US $'000	US $'000	US $'000	%	US $'000
CASH INFLOWS						
Authorized Allocation/Appropriation	1,122	1,121	1,112	1	0%	1,407
Other Receipts	-	-	-	-	-	-
Total Cash Receipts	**1,122**	**1,121**	**1,112**	**1**	**0%**	**1,407**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	1,102	1,100	1,010	(1)	0%	1,324
Goods and Services Consumed	22	21	102	(1)	-5%	109
Capital Expenditure	-	-	-	-	-	0
GOL Project		-	-			
Total Cash Payments	**1,124**	**1,121**	**1,112**	**(2)**	**0%**	**1,434**
NET CASH FLOW - GENERAL FUND	(2)	-	-	3	-	(27)

4 Revenue Receipts

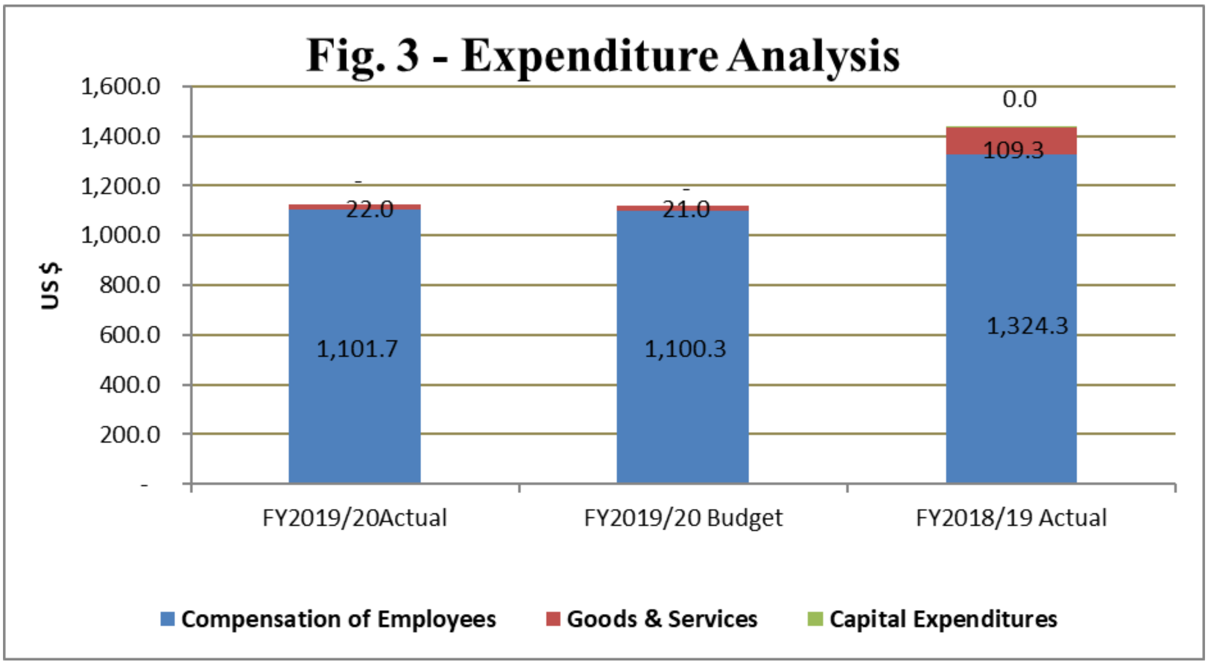
Revenue receipts include allotments received from Ministry of Finance & Development Planning (MFDP). Total revenue received from MFDP amounted to US$1,121,949.25. Of the amount of 1,121,949.25 for operating revenue, UD$286,805.51 represents withholding income taxes and US$34,452.71 represents employees NASCORP payment deducted and withheld by MFDP. These amounts were recorded for reporting purposes only.



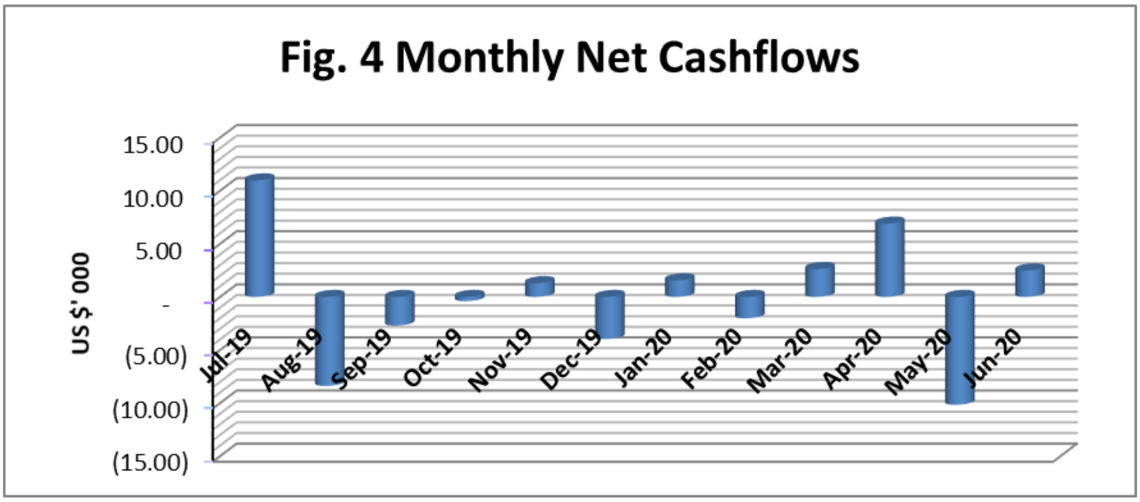
Allotments received from MFDP+ Others



5 Expenditure



6 Cash flow



a. Compensation of Employees

This continues to be the largest use of funds by the Commission which operates as a policy institution. Compensation accounted for UD$1,101,700.71 or 98% of the total expenditure. Of this amount, 286,805.51 was actually withholding income taxes and US$34,452.71 employees NASCORP payment withheld by MFDP. Since it was reported in the revenue section, similarly it had to be reported in the expenditure section to create a zero balance because there was no cash received.

b. Goods and Services

Goods and services such as security guard service, repair & maintenance and other recurrent expenditure accounted for UD$21,983.72 or 2% of the total expense.

c. Purchase of Capital Items

Capital expenses for the period under review were US$0.00 or 0%.

7 Outstanding Commitments and Borrowings

The Governance Commission outstanding commitment as of June 30th, 2019 was US$ 58,588.90.

8 Accumulated Surplus or Deficit/Net Worth

The Governance Commission has a deficit of US$1,735 for the fiscal year 2019/2020, a foreign translation gain of US$367.76 and a beginning cash balance of US$5,033 which affected the GC's reserve of US$2,202. This reserve is held in various bank accounts in USD and in LRD. The details are available in the Statement of Cash Position.

9 Contingent Liabilities

The Governance Commission had no contingent liabilities as of June 30th, 2020.

10 Conclusion

The Financial Statements for the financial year ended 30th June 2020 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.

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Kollie A. Dorko
FINANCE MANAGER

8/14/20
....
Date

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2020

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)

FOR THE PERIOD ENDED July 31, 2019-June, 30, 2020 (FY2019/20)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2020			FOR THE Fiscal Year ENDED 30th June 2019		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US $'000	**US $'000**	**US $'000**	**US $'000**	**US $'000**	**US $'000**
<u>GENERAL FUND</u>							
RECEIPTS							
Authorized Allocation/Appropriation	**4**	1,122	0	0	1,407	0	0
Other Receipts	**5**	0	0	0	0	0	
Total Receipts - General Fund		**1,122**	**0**	**0**	**1,407**	**0**	**0**
PAYMENTS							
Operations:	**6**						
Compensaton of Employees	**6a**	1,102	0	0	1,324	0	0

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)

FOR THE PERIOD ENDED July 31, 2019-June, 30, 2020 (FY2019/20)

Consumption of Goods and Services	**6b**	22	0	0	109	0	0
Capital Expenditure	**6c**	0	0	0	0	0	0
Total Payments - General Fund		**1,124**	**0**	**0**	**1,434**	**0**	**0**
Net Cash Flow - Increase/(Decrease) in Cash - General Fund		**(2)**	**0**	**0**	**(27)**	**0**	**0**
Cash at the beginning of the year	**8**	4	0	0	30	0	0
Foreign currency translation difference		0	0	0	0	0	0
Cash at the End of the year - General Fund	**8**	2	0	0	4	0	0
<u>CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)</u> RECEIPTS							

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)

FOR THE PERIOD ENDED July 31, 2019-June, 30, 2020 (FY2019/20)

External Assistance:	**7**						
Grants From Multilateral Agencies		0	0	0	0	0	0
Grants From Bilateral & Other Agencies		0	0	0	0	0	0
Total Receipts - Capital Development Funds		**0**	**0**	**0**	**0**	**0**	**0**
PAYMENTS							
Operations:	**6**						
Wages, Salaries and Employee Benefits	**6a**	0	0	0	0	0	0
Consumption of Goods and Services	**6b**	0	0	0	1	0	0
Capital Expenditure	**6c**	0	0	0	0	0	0
Total Payments - Capital Development Funds		**0**	**0**	**0**	**1**	**0**	**0**
Net Cash Flow - Increase/(Decrease) in Cash - Donor Projects		**0**	**0**	**0**	**(1)**	**0**	**0**

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)

FOR THE PERIOD ENDED July 31, 2019-June, 30, 2020 (FY2019/20)

Cash at the beginning of the year		0	0	0	1	0	0
Foreign currency translation difference		0	0	0	0	0	0
Cash at the end of the period - donor funds	**8**	0	0	0	0	0	0
Net Cash Flow - Increase/(Decrease) in Cash - All Funds		**(2)**	**0**	**0**	**(27)**	**0**	**0**
Cash at the Beginning of the period- All Funds	**8**	**4**	**0**	**0**	**31**	**0**	**0**
Cash at the End of the period - All Funds	**8**	2	0	0	4	0	0

GOVERNANCE COMMISSION

STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)

AS AT 30 June 2020

Cash/Bank Account Details	**Currency Held In**	**Notes**	**As of 30th June 2020,** US $	**As of 30th June 2019,** US $	**Change in Cash Balances** US $
GENERAL FUND	-	8			
Bank Accounts			-	-	-
GT Bank operational funds account (USD)	USD		1,359	2,576	3,934
GT Bank operational funds account (LRD)	LRD		887	(283)	605
GT Bank . Liberia Rising (Vision 2030) (USD)	USD		38	1,270	1,308
GT Bank . Liberia Rising (Vision 2030) (LRD)	LRD		(82)	6	(75)
Total held in Bank Accounts:			**2,202**	**3,570**	**(1,367)**
Total Cash and Bank Balances at the end of the period (General Fund):			2,202	3,570	(1,367)
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)		8			

Bank Accounts				
GT Bank. NPF UNMIL Co Funded project	USD	0	0	0
LHP project funded by UNESCO - GT Bank	USD	0	0	0
Total held in Bank Accounts:		**0**	**0**	**0**
Total Cash and Bank Balances at the end of the period (Donor Financed Projects):		0	0	0
TOTAL CASH AND BANK BALANCES - ALL PUBLIC FUNDS		2,202	3,570	(1,367)

The Accounting Policies and Notes set out on pages 25 to 32 form an integral part of the financial statements.

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Elizabeth Dorkin — Kollie A. Dorko

Commissioner/Office-In-Charge — Comptroller

August 20, 2020 .... 8/14/20 ....

Date — Date

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 the Governance Commission, an autonomous public commission of the Government of the Republic of Liberia. The financial statements encompass the reporting entity as specified in the Governance Commission Act of 2007. In accordance with section 3.1 of the Governance Commission Act of 2007, the general mandate or purpose of the commission is to:

1. Promote good governance by advising, designing, and formulating appropriate policies and institutional arrangements and frameworks required for achieving good governance; and
2. Promote integrity at all levels of society and within every public and private institution.

The Financial Statements presented above reflect the Cash Receipts and Payments of the Governance Commission for the financial year ended 30th June 2019 on the basis of moneys received by, held in or paid out by the Governance Commission 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 authorisation.

The principal address of the reporting entity is Governance Commission, 9th Street-Sinkor, Monrovia, Liberia. Website: www.governancecommissionlr.org

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

These 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 and translation of foreign currencies

(i) Functional and presentation (or reporting) currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LD) and the United States of America Dollar (US $) 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 Dollars **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 currency, 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.

(ii) Translation of transactions in foreign currency

Foreign currency transactions and transactions in Liberian 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 the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

The year-end (30th June 2020) exchange rate for the Liberian Dollar was 198.3 LD per 1US$.

c) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1st July 2019 to the 30th June 2020.

d) Payments by Third Parties

Governance Commission did not benefit from goods and services purchased on its behalf as a result of cash payments made by third parties during the period. The payments made by Third Parties do not constitute cash receipts or payments by Governance Commission but do benefit it. They are disclosed in the Payments by Third Parties column in the Statement of Cash Receipts and Payments and other financial statements.

Summary Analysis of Payments by External Parties (By Donor)			
Annual Report FY 2019-2020		Annual Report FY 2018-2019	
Description	**Actual**	**Actual**	**Diff. in Actuals**
	US $	**US $**	**US $**
UNDP			-
AfDB	-	-	-
Total Payment (External Parties)	**-**	**-**	**-**

Detail Analysis of Payments by External Parties (By Expenditure Type)			
Annual Report FY 2019-2020		Annual Report FY 2018-2019	
Description	**Actual**	**Actual**	**Diff.in Actuals**
	US $	**US $**	**US $**
Education and Training Related	-	-	-
Consultancy		-	-
Workshops	-	-	-
Other Expenses	-	-	-
Total Payment (External Parties)	**-**	**-**	**-**

e) Receipts

Receipts represent cash received by Governance Commission during the financial period, comprising Authorised allocations/appropriations, Grants and other receipts. Receipts are recognized as follows:

(i) Authorized Allocations/Appropriations

Authorized Allocations are recognized when they are received and under the control of the *Governance Commission*.

(ii) Grants

Grants are recognized when received. Similarly, grants/transfers to other entities of Government are recognized when disbursement is made.

(iii) Other Receipts

Other Receipts are fees/charges collected and proceeds from sales of designated services by the *Governance Commission*. Sales of services are recognized in the period in which the payment for the service is received and not necessarily when the service is rendered. Other Receipts, whether directly collected by the *Governance Commission* or collected by another entity on its behalf is recognized when received and under its control.

f) Expenses

In general, all expenses are recognized in the statement of Cash Receipts and Payments when paid for.

g) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment principally comprises land, buildings, plant, vehicles, equipment, and any other capital assets controlled by the Governance Commission.

Under the Government's cash basis of accounting, purchases of property, plant and equipment are expensed fully in the year of purchase. However, a memorandum record is maintained in the Fixed Assets Register at historical cost for all non-current assets of the Governance Commission. Unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements. Proceeds from disposal of property, plant and equipment are recognized as other receipt in the period in which it is received.

h) Inventories

Consumable supplies are expensed in the period in which they are paid for.

i) Employee benefits

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

j) Contingencies

Contingent liabilities are recorded in the Statement of Contingent Liabilities (on memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognized only when the contingent event occurs and payment is made. Contingent assets are neither recognized but disclosed where probable.

k) Commitments and Guarantees

Long term Commitments, including operating and capital commitments arising from non-cancellable contractual or statutory obligations as well as Guarantees made, will be reported as Notes to the Financial Statements.

3 Authorization Date

The financial statements were authorized for issue on 15th August, 2020 by Elizabeth Dorkin, Commissioner/Office-In-Charge of the *Governance Commission*.

4 Authorised Allocations/Appropriation

The total amount of Authorised Allocations received for FY2019/20 was US $1,121,949. Of this amount US$800,691.03 represent actual money received from MFDP for operating revenue while US$286,805.51 belongs to withholding taxes and US$34,452.71 represents Social Security payment deducted and held by MFDP. The amount belonging to withholding taxes was recorded for reporting purposes only.

Summary of Authorized Allocations/Appropriations Annual Report 2019-2020 Amounts in US Dollars							
Annual Report FY 2019-2020						Annual Report FY 2018-2019	
Description	Actual	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance %	Actual	Difference in Actuals
01 01 Administration & Management	**1,121,949**	**2,221,554**	**1,112,136**	**95,278**	**4%**	**1,407,005**	**(1,290,727)**
Employee Compensation	1,108,472	1,100,277	1,009,924	102,801	9%	1,339,632	(1,236,831)
Basic salary - civil service	1,005,671	1,100,277	1,009,924				
General Allowance	99,051	-	-	99,051		1,143,975	(1,044,924)
Special Allowance	3,750	-	-	3,750		195,658	(191,907)
Honoriraum							
Goods & Services	13,477	21,000	101,206	(7,523)		67,373	(53,896)
Capital Expenditure			1,006				
Local and Other Arrears		-					
National Political Forum		-	-	-		-	-
National History Project	-			-		-	-
Total	**1,121,949**	**2,221,554**	**1,112,136**	**95,278**	**4%**	**1,407,005**	**(1,290,727)**

The comparative analysis of Estimated and Actual Receipts for the FY2019/20 is presented in the Statement of Comparison of Budget and Actual Amounts for the General Fund.

5 Other Receipts

The Governance Commission has no other receipts in the period. The Governance Commission does not collect any fees, taxes etc.

6 Payments - Operations

The total amount of Cash Payments made during the period 2019/2020 was US $1,101,701 and US $1,324,339 for FY 2018/19 comprising various types of cash payments (classified in the same form as the National Budget) made by the *Governance Commission* during the period.

a) Employee Compensation – Wages, Salaries and Other Employee Benefits, inclusive of donor funding

This amount represents payment to employees of the Governance Commission as remuneration for the period under review. **See Table below:**

Note 6a. Summary Analysis of Employees Compensaction (All Funds) Annual Report FY 2018-2019 Amounts in US Dollars							
Annual Report FY 2019-2020						Annual Report FY 2018-2019	
Description	Actual	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance %	Actual	Difference in Actuals
01 01 Administration & Management							
Employee Compensation							
	US $	US $	US $	US $	%	US $	US $
211101 · Basic salary - civil service	1,006,845	1,100,277	1,009,924				
211110 · General allowances	81,304	-	-	81,304	#DIV/0!	1,128,030	(1,046,726)
211116 · Special allowance	13,552	-	-	13,552	#DIV/0!	196,309	(182,757)
Total General Fund	**1,101,701**	**1,100,277**	**1,009,924**	**94,856**	**862%**	**1,324,339**	**(1,229,483)**
Donor Funds							
Professionals - OSIWA	-			-		-	-
Total All Funds	**1,101,701**	**1,100,277**	**1,009,924**	**94,856**	**862%**	**1,324,339**	**(1,229,483)**

b) Goods and Services inclusive of donor funding

Amounts spent on Goods and Services are recurrent expenses, which include items such as Office Stationery, Printing and Publications, Foreign Travels, Water and Sewage, Fuel and Lubricants for Vehicles, Fuel for Electricity Generation. Expenditure analysis of goods and services are provided in the Table below:

Note 6b. Summary Analysis of Goods and Services (All Funds)
Annual Report 2019-2020
Amounts in US Dollars

Annual Report FY 2019-2020						**Annual Report FY 2018-2019**	
Description	**Actual**	**Final Budget**	**Original Budget**	**Difference: Final Budget and Actual**	**Percentage Variance %**	**Actual**	**Difference in Actuals**
	US $	US $	US $	US $	%	US $	US $
General Fund							
Administration and Management(GOL)	20,587	1,121,277	102,212	(1,100,690)	-98%	87,192	(66,605)
Liberian History Project(GOL)	-	-	-	-		-	
National Political Forum	-	-	-	-		7,810	(7,810)
GOL Counterpart Fund/AfDB	-						
National Vision	1,397	-	-	1,397		1,941	(544)
President Legacy						12,352	
Total General Fund	**21,984**	**1,121,277**	**102,212**	**(1,100,690)**	**-98%**	**109,295**	**(74,415)**
Donor Funds							
UNDP							
Cabinet Retreat/UNDP	-					-	-
Constitution Review Committee	-					-	-
Strengthen Transparency, Accountability, Oversight and Participation (STAOP)	-					-	-
Sub Total - UNDP Projects	-	-	-	-		-	-
National Political Forum UNMIL	-					616	(616)
UNESCO(Liberian History Project)	-					-	-
PSRP	-					-	-
AfDB	-					-	-
National Integrity Forum (Liberia Chamber of Commerce)	-					-	-
Donor Funded Projects	**-**	**-**	**-**	**-**	**-**	**616**	**(616)**
Total All Funds	**21,984**	**1,121,277**	**102,212**	**(1,100,690)**	**-98%**	**109,911**	**(75,031)**

Further details of expenditure breakdown ***by Economic Classification*** are provided in Appendices 1 (*General Fund*) and 2 (*Donor Funds*):

c) Capital Expenditure inclusive of donor funding

Capital Expenditure represents amounts spent on vehicles, computers, machinery and office equipment. The Table below represents total amounts spent using general fund and donor funds. See table below:

Appendix 6c. Summary Analysis of Capital Expenditure (All Funds)							
Annual Report FY 2019-2020							
Amounts in US Dollars							
Annual Report FY 2019-2020						**Annual report FY 2018-2019**	
Description	**Actual**	**Final Budget**	**Original Budget**	**Difference: Final Budget and Actual**	**Percentage Variance %**	**Actual**	**Difference in Actuals**
General Fund							
01 01 Administration & Management							
Capital Expenditure							
Administration and Management(GOL)	$ -	$ -	$ -	$ -	0%	$ 28	$ (28)
Liberian History Project(GOL)		-		-		-	-
National Symbol Review Project(GOL)		-		-		-	-
Sub Total (General Fund)	**$ -**	**$ -**	**$ -**	**$ -**	**0%**	**$ 28**	**$ (28)**
Donor Funds							
Liberia Decentralization Support Program	-	-	-	-		$ -	$ -
French Embassy	-	-	-	-		-	-
Donor Funded Projects	**-**	**-**	**-**	**-**	**-**	**$ -**	**$ -**
Total All Funds	**$ -**	**$ -**	**-**	**$ -**	**0%**	**$ 28**	**$ (28)**

Further details of expenditure breakdown by Economic Classification are provided in Appendices 3.

7 External Assistance

Grant from Bi-lateral Agency (Current)

There was no grant from bi-lateral agency

b. Grant from Multilateral Agencies

There was no grant from multilateral agency

Funds Received from Multi and Bi lateral Agencies (Donor Funds)										
FY 2019-2020					**FY 2018/2019**					
Expenditure Code	**02 LDSP/UNDP**	**02 AfDB FSF pillar III Support**	**National Political Forum UNMIL**	**Total**	**02 AfDB FSF pillar III Support**	**UNDP (LDSP&CRC)**	**National Political Forum UNMIL**	**Cabinet Retreat/U NDP**	**French Embassy**	**Total**
	US $	**US $**		**US $**	**US $**	**US $**	**US $**	**US $**	**US $**	**US $**
Multilateral Agencies										
221701 · Consultancy Services		-		-	-	-	-	-	-	-
222102 · Workshops, conferences & seminr			-	-						-
Sub Total (Multi Lateral Agencies)	-	-	-	-	-	-		-	-	-
Bi Lateral Agencies				-						
222102 · Workshops, conferences & seminr	-	-		-	-	-	-	-	-	-
				-						
Sub Total (Bi lateral Agencies)	-	-		-	-	-	-	-	-	-
				-						
Grand Total	-	-	-	-	-	-	-	-	-	-

8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise Cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments. The details of the bank accounts and amounts held by the Governance Commission at the end of the period are detailed in the Statement of Cash Position above.

9 Original and Final Approved Budget and Comparison of Actual and Budget Amounts

The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (from 1st July 2019 to 30th June 2020) as for the financial statements.

10 External Assistance - Payment by Other Government Units and Third Parties

Payments by Other Government Units and Third Parties is included in the Financial Statements for the financial period ended 30th June 2019**.**

Disclosure on the reason for the variance in the Statement of Budget & Actuals

Money received and expenses incurred for the fiscal year 2018/2019 were reported under the fiscal year 2019/2020. The predicate is the budget law that says all money committed and expenses incurred in the previous budget should be settled within 90 days of the current reporting period.

SUPPLEMENTARY DISCLOSUERS

Appendix 1 - Detailed Analysis of Goods and Services Expenditure (General Fund)															
	FY 2019-2020									FY 2018-2019					
Expenditure Code	01 01 Admin & Mgmt Pmts by GC	National History Project	National Political Forum	GOL Counterpart Fund/AfDB	National Vision	Total Actual	Original	Final Budget	Difference: Final Budget and Actual	01 01 Admin & Mgmt Pmts by GC	National Political Forum	National Vision	President Legacy	National Symbol Review Project	Total Actual
	US $	US $	US $			US $	US $	US $	US $	US $	US $			US $	US $
GOODS AND SERVICES															
200000U · Unspicified Expenses GOL Projec						-									-
221201 · Electricity						-	-	-	-						-
221203 · Telecommunications, internet,						-			-	3,433			1,200		4,633.00
221303 · Office rental or lease						-	50,000		-						-
221401 · Fuel & lubricants - vehicles						-	5,000		-	4,962					4,962.46
221402 · Fuel & lubricants - generators						-	1,000		-	1,270					1,269.81
221501 · Repairs & maintenance, civil	2,643					2,643.40	8,500		(2,643)	1,091					1,090.87
221502 · Repairs & maintenance, vehicles						-	5,000		-	1,432					1,432.30
221503 · Repair & maintenance-Generators						-			-	97					96.76
221504 · Repairs & maint, machinery, equ						-	8,000		-	1,205					1,205.40
221505 · Repairs & maint, ICT Equipment						-	6,500		-	74					73.50
221601 · Cleaning Materials and services						-	2,200		-	361					360.64
221602 · Stationery						-	5,400		-	1,483					1,482.60
221603 · Printing, binding & publication						-			-						-
221605 · Computer Supplies & ICT Service						-	9,000		-	51					50.76
221701 · Consultancy Services						-			-						-
221903 · Staff Training – Local						-			-						-
221904 · Staff Training – Foreign						-			-						-
221908 · Scholarship-Foreign						-			-	24,950					24,950.00
222102 · Workshops, conferences & seminar						-	5,000		-	191					191.00
222105 · Entertainment represent & gifts						-	2,400		-	54					53.74
222108 · Advertising & public relations						-	9,600		-	28					28.49
222109 · Operational Expenses	5,425				1,066	6,491.42	12,000	-	(6,491)	25,078	7,500	1,582	11,152		45,311.97
222110 · Subscriptions						-			-						-
222113 · Guard & Security Services	11,518					11,518.17	21,000	21,000	9,482	20,647					20,646.88
222116 · Bank Charges and other Bank Rel	1,000				330	1,330.73	600		(1,331)	1,061	310	359			1,729.58
223101 · Personnel Insurance						-			-						-
223106 · Vehicle insurance						-			-	5					5.10
224115 · Local & Other Arrears						-			-	(280)					(279.92)
Total Goods & Services	**20,587**	**-**	**-**	**-**	**1,397**	21,983.72	**151,200**	**21,000**	**(984)**	**87,192**	**7,810**	**1,941**	**12,352**	**-**	**109,295**

	Appendix 2 - Detailed Analysis of Goods and Services Expenditure (Donor Funds)															
	Annual Report FY 2019-2020							Annual FY 2018-2019								
Expenditure Code	02 LDSP/UNDP	UNDP - Constitution Review Committee	National Political Forum UNMIL	02 UNESCO Liberia history Project	02 AfDB FSF Pillar III Support	PSRP	Total	02 LDSP/UNDP	UNDP - Constitution Review Committee	National Political Forum UNMIL	Cabinet Retreat/ UNDP	02 UNESCO Liberia history Project	PSRP	02 AfDB FSF pillar III Support	National Integrity System	Total
221908 Staff Scholarship-Foreign																-
221101 Foreign Travel-Means of Travel							-									-
221102 Foreign Travel-Daily Allowance							-									-
221203 · Telecommunications, internet,		-					-									-
221603 · Printing, binding & publication							-									-
221701 · Consultancy Services			-		-	-	-									-
222102 · Workshops, conferences & seminar		-				-	-			738	-					738
222108 · Advertising & public relations							-									-
222109 · Operational Expenses	-	-					-			(316)						(316)
222110 · Subscriptions							-									-
222116 · Bank Charges and other Bank Rel							-			194						194
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**616**	**-**	**-**	**-**	**-**	**-**	**616**

Appendix 3 - Detailed Analysis of Capital Expenditure (General Funds)											
Annual Report FY 2019-2020								Annual Report FY 2018-2019			
Expenditure Code	01 01 Admin & Mgmt Pmts by GC	02 NSRP	National History Project	National Vision	Total Actual	Original	Final Budget	01 01 Admin & Mgmt Pmts by GC	02 NSRP	National History Project	Total Actual
232201 · Transport Equipment	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
232211 · Machinery & other Equipment	-						-		-	-	-
232221 · Furniture and Fixtures						1,006	-		-	-	-
232301 · ICT infrastructure, hardware							-	$ 28	-	-	28
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,006**	**$ -**	**$ 28**	**$ -**	**$ -**	**$ 28**

Appendix 4 - Outstanding Commitment as of June 30, 2020	
Commitment Type	
	USD
Outstanding Commitments	
Dennis H. Yollah Business Centre Inc.	150
Liberia Water and Corp.(LWSC)	772
Dennis H. Yollah Business Centre Inc.	264.5
Boakai Kanneh	50,000.00
Environmental Sanitation	30
Ministry of Posts and Telecommunications	200
Benjah Security Guard Services	6,672.40
HAK Technology	500
Grand Total Outstanding Commitments in US $	**58,588.90**