Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

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

For the period July 1, 2016 to June 30 2017

December 2023

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

Table of Contents

ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
CFC	Certified Financial Consultant
CFIP	Certified Financial Investigation Professional
ED	Executive Director
FCCA	Fellow Chartered Certified Accountants
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, 2016 to June 30, 2017. 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

AUDITOR GENERAL'S REPORT ON THE FINANCAL STATEMENT AUDIT OF THE GOVERNANCE COMMISSION (GC) FOR THE PERIOD ENDED JUNE 30, 2017

Adverse Opinion

We have audited the financial statements of the Governance Commission (GC) for the fiscal period July 1, 2016 to June 30, 2017 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 2017, 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 as adopted by the Government of Liberia in 2009.

Basis for Adverse Opinion

During our audit of the financial statements of Governance Commission (GC), for the fiscal year ending June 30 2017, we identified several significant issues that have led to our adverse opinion:

- Management did not take responsibility of the financial statements by signing or approving the statements before issuance for audit.
- 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$1,749,334.00 whereas, in the financial statements, Management reported the total amount of US$1,766,149.90 as total amount received resulting in a variance of US$16,815.90.
- Transactions amounting to US$890.00 and L$1,469,570.27 were expended for the payment of various goods and services without the required authorized signatories.

- The bank reconciliation statements for Guaranty Trust Bank (GTB) account No. 203305161210, 203313561211 and 203313561110 were not prepared for the months of November 2016, December 2016, February 2017 through June 30, 2017.

- Management did not deduct and remit social security contributions to NASSCORP. Management withheld the total amount of US$87,905.49 as taxes from staff general allowance without evidence that the taxes were subsequently remitted to the LRA.

- Management made payments amounting to US$7,737.78 without evidence of supporting documents such as payment vouchers and invoices to validate the authenticity of the transactions.

- There was no approved fuel consumption policy to regulate the distribution and reporting of fuel. Also, Management made multiple payments for the procurement of communication cards, fuel and lubricant in the amount of US$19,934.24 without evidence of an Open Competitive Bidding Process and contract agreements between Management and the vendors for the procurement of fuel and lubricant.

- Management paid salaries amounting to L$147,634.64 and US$6,213.41 to nine (9) individuals whose names were not on the approved Personnel Listing.

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, 2017.

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

MANAGEMENT DISCUSSIONS and ANALYSES

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 Commission.

The general mandate of the Governance Commission is to promote good governance by advising, designing, and formulating appropriate policies and institutional arrangements and frameworks required for achieving good governance, and promoting integrity at all levels of society and within every public and private institution. More specifically, the Governance Commission's mandate is to 'formulate policy recommendations and implementation strategies for the advancement of good governance in Liberia' (The GC Act, p.6).

I. **The Public Sector Reform**

Achievements in 2016 and prospects for 2016

- The following proposed Acts are now before the Legislature:
    a. The proposed Act to amend the Ministry of Health & Social welfare to the Ministry to Health is now before the Legislature.
    b. A proposed Act to establish a new institution to be called the Public Health Emergency as an autonomous entity as lessons learned from the Ebola epidemic.

II. **The Monitoring, Evaluation Research & Publication Mandate Area**

Commission and conduct citizens' perception survey (benchmarking the demand side of governance) in furtherance of the Liberia Decentralization Support Project (LDSP).

Following the publication of its 2013AGR, the GC has begun consultations and holding preparatory meetings leading to the production of the Annual Governance Report for 2016. This report will focus on the Liberia Electoral System, justified by the historical nature of the upcoming 2017 elections for the second time since 1944 where it is expected that there will be a smooth democratic transition. Additionally, with constitution amendments pending in 2016 or early 2017, the electoral process will have been further tested and gaps addressed by elections day 2017.

The study will examine the constitutional and statutory rules, the operational procedures and practices and the resource provided to the major actors to assess how well they have served the electoral system, in what areas they need to be strengthened and what measures need to be taken to ensure they are strengthened.

The Governance Commission conducted a study which focused on: **Reaching the Middle Income Goal**: The Human Capacity Issues. The result of the study showed that the education system as structured may not be able to facilitate attainment of the Middle Income Country Goal as envisioned by the National Vision 2030. The study addressed three major concerns: the Demography, with emphasis on female participation; the Workforce Requirement, graduates majors and the availability of jobs and the Needs of the Sector, the ability of the sector to supply its own needs in priority areas. Key output from the study revealed the absence of an accreditation system in the country and recommended that actions be taken to remedy the situation. One of such actions is the drafting of a proposed Act to amend 1989 Act establishing the National Commission for Higher Education.

III. The Political & Legal Reform (Decentralization)

1. The draft Local Government Act was revised with critical inputs from the Land Commission, the Forestry Development Authority, the National Bureau of Concessions and the Ministry of Internal Affairs and the Ministry of Justice.

- The GC in its capacity as ex-officio member provided technical support and policy guidance to the Constitutional Review Committee in conducting the Constitutional Conference held in Gbarnga from March to April 2016.

- During the period, the Commission conducted policy research on the governance arrangements and challenges in implementing the county development fund. The report advocates for a management arrangement that gives more authority to the County Administration and empower county councils as independent local councils made exclusively up of local residents

IV. National Integrity Systems

1. **Implementation Strategy for the National Code of Conduct for public Officials and Employees in the Public Sector developed**

   Consistent with its policy of engaging high level policy practitioners, academics, international partners, civil society and private sector leaders on issues of national importance, the Governance Commission, in collaboration with the National Anti-Corruption Commission and other multi-national stakeholders has developed an implementation Strategy for the National Code of Conduct. The implementation of the Code of Conduct in public institutions around the country will serve as a promoter for good governance in the country, and clearly delineate individual civil servants and public officials' responsibilities to ensure integrity, accountability and transparency within the Liberian society. The implementation Strategy when fully carried out, will lead to the following:

   - Enhancing governance at public institutions in the country
   - Promoting a culture that encourages ethical behaviors and integrity in the workplace;
   - A form of awareness and confidence building between the government and citizens
   - Creating a mindset that prompts new behavioral attitude and an environment conducive for the emergence of a culture of integrity at all levels
   - The GC also reproduced 8000.00 (eight thousand) copies of the code

2. **Assessment of the implementation of the Anti-Corruption Strategy (NACS)**
The National Anti-Corruption Strategy (NACS) was formulated in 2006 by the government of Liberia through a consultative process led by the Governance Commission. After approval by the president, the NACS has been implemented over the years. During the period, the Governance Commission under took an assessment of the implementation of the Strategy to assist the national integrity institutions shape their plans, fill in gaps or otherwise re-enforce their priorities. The need for effectiveness and cooperation among integrity institutions cannot be over stated in our fight against corruption. The objective for the assessment was to develop a revised anti-corruption action plan for Liberia that is driven by the comprehensive assessment of progress in the implementation of the overall strategy and informed by emerging opportunities from international best practices and public perception. A final assessment report is available and will subsequently be launched. Out of this assessment have come a number of recommendations to be implemented by various integrity institutions.

A. **National Integrity Forum Collaboration:** A technical committee comprising several integrity institutions has been set up to ensure the implementation of the revised National Anti-Corruption strategy (NACS). The Institutions include: LEITI, GC, GAC, and CENTAL. A National Retreat of the National Integrity Forum is being organized to re-shape the strategic direction of the fight against corruption in Liberia

3 **Public Dialogues,** a platform which consist of public engagements**…**
During under review the following dialogues were held:
a. Mainstreaming Transparency & Accountability in the Deconcentration Framework
b. Dual Citizenship and the Constitution
c. Dual Currency
d. Reaching the middle-income goal
e. High Assessment Roundtable on the National Anti-Corruption Strategy
f. Decentralization policy research on implementation of the County Development Fund

4 **National Law Reform Policy developed**
GC in collaboration with the Law Reform Commission developed and National Law Reform Policy which is intended to address issues of coordination in the law-making process.

5 **Other collaborations:**
GC in collaboration with other stakeholders finalized several legislative drafts which include
- The National Land Authority Act
- The Land Rights Act
- The New Police and Immigration Acts

V. Civic Engagement, National Identity & Visioning

Activities carried out during the period under review:

1. In collaboration with the Political and Law Reform (PLR)/Decentralization Mandate Area, conducted three regional workshops to provide training opportunities to national civil society organizations in the full implementation of government's decentralization program. These training workshops brought together more than 200 civil society actors from the 15 counties. Participants included representation of youth groups, men and women's groups and persons with disabilities (PWD).

2. The Commission in collaboration with the Ministry of Education and other key stakeholders developed 10,000 (ten thousand) copies of a National Curriculum on Citizenship Education for grades 1- 12. The curriculum was officially launched on August 24, 2016 by H.E. President Ellen Johnson Sirleaf and turned over to the Minister with mandate to develop relevant textbooks for use in schools by the 2017/2018 academic year.

3. Preparations for the completion of the revision of the Vision 2030 documents for publication exercise are well underway. The documents include the various reports, retrospective analyses and postscript of the Vision exercise after Gbarnga 2012. Upon completion, these documents will be made available for all people at home and sundry to assess, university and school libraries, on national websites and international libraries and at government ministries, agencies and commissions, including embassies.

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 annual financial statement ended March 31st 2016 and of its financial position as at that date.

2 The FY2016/17 Approved Budget

Governance Commission had a draft budget of US$1,749,334 and an approved budget of US$2,013,317. This represents an increment of US$263,983 or 15%.

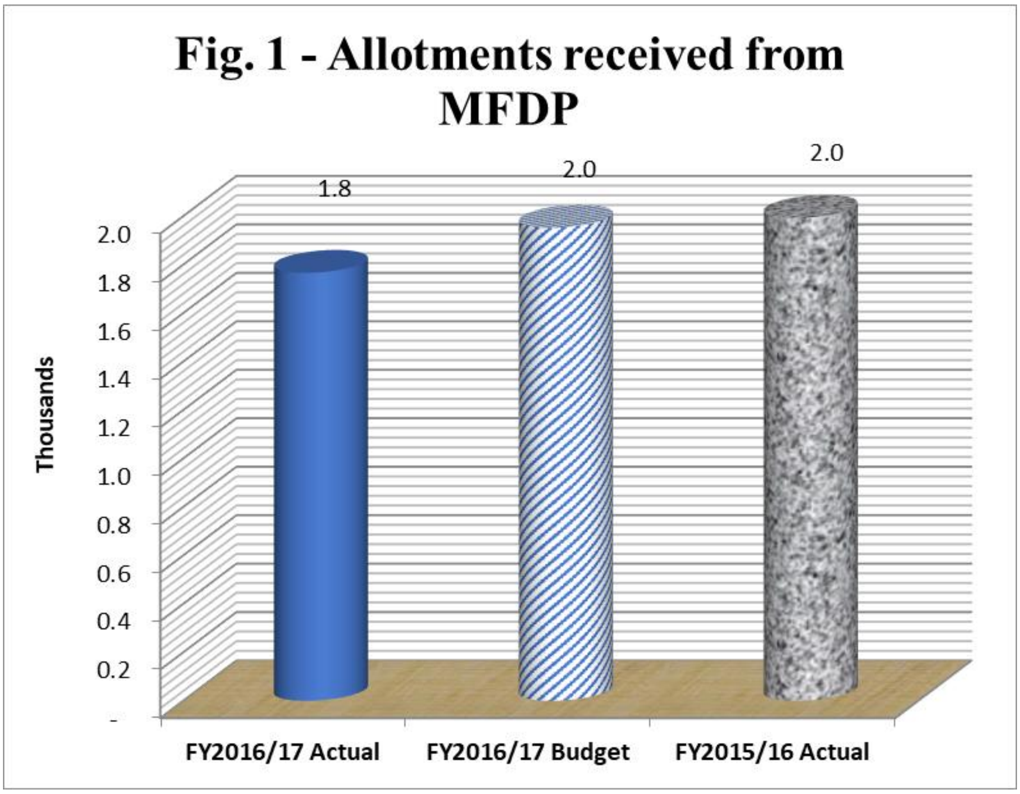
3 Summary

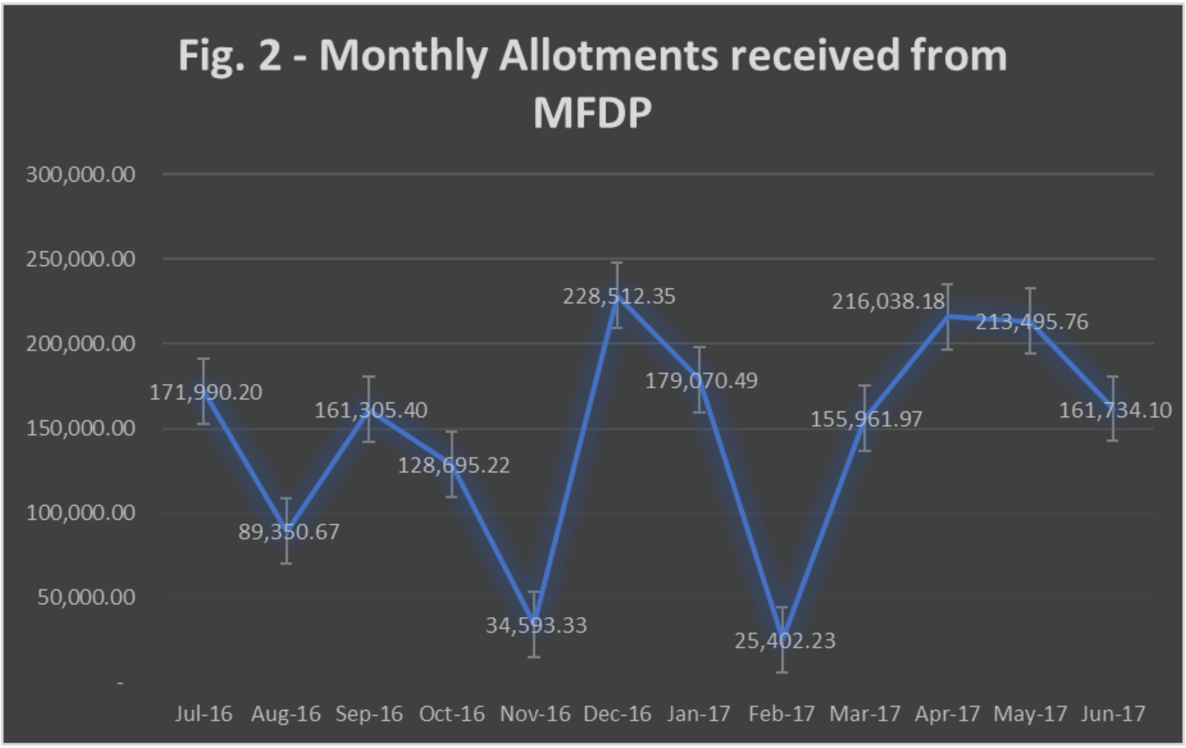
SUMMARY CASHFLOW

	FY2016/17			Variance			
Description	**Actual**	**Budget**	**Prior Year**	**Budget**		**Prior Year**	
	$ '000s	**$ '000s**	**$ '000s**	**$ '000s**	**%**	**$ '000s**	**%**
Receipts							
Allotments received from MFDP+ Others	1,766.1	1,951.7	1,992.9	(185.6)	-10%	(226.7)	-11%
Total Revenues	**1,766.1**	**1,951.7**	**1,992.9**	**(185.6)**	**-10%**	**(226.7)**	**-11%**
Expenditures							
Compensation of Employees	1,504.3	1,631.2	1,421.3	(126.9)	-8%	83.0	6%
Goods & Services	243.6	307.2	512.0	(63.6)	-21%	(268.4)	-52%
Capital Expenditures	7.6	13.3	24.4	(5.8)		(16.9)	
Total Expenditures	**1,755.5**	**1,951.7**	**1,957.7**	**(196.3)**	**-10%**	**(202.2)**	**-10%**
Operating Surplus/(Deficit) - Net Cashflow	**10.7**	**-**	**35.2**	**10.7**		**(24.5)**	**-70%**
Project Receipts	43.4	-	13.7	43.4		29.7	216%
Project Payments	(22.9)	-	(10.1)	(22.9)		(12.8)	127%
Overall Surplus/(Deficit) - Overall Net Cashflow	**31.3**	**-**	**38.8**	**31.3**	**0%**	**(7.6)**	**-19%**

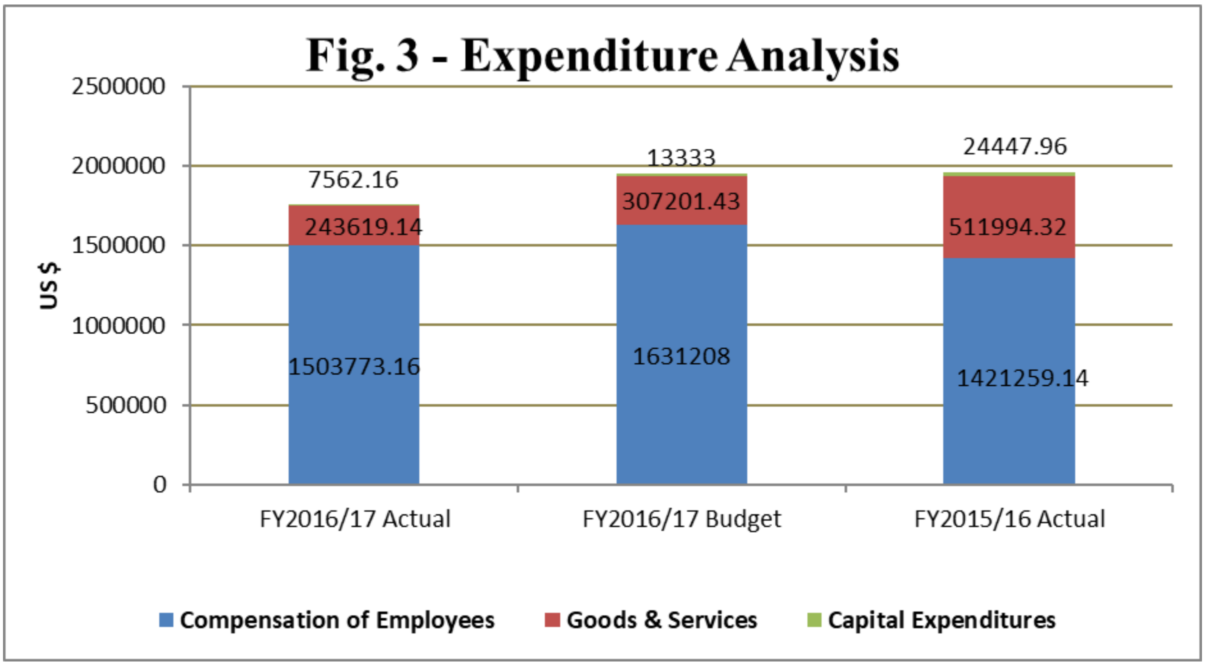
4 Revenue Receipts

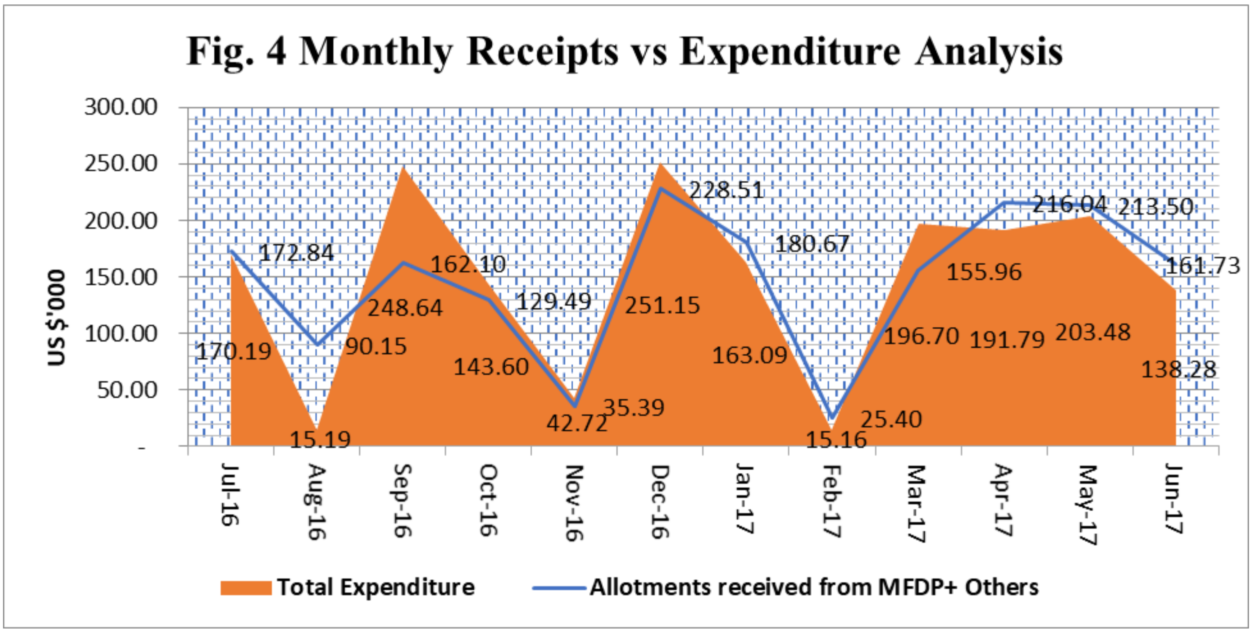
Revenue receipts include allotments received from Ministry of Finance & Development Planning (MFDP). Total revenue received from MFDP amounted to US$1,766,149.90.



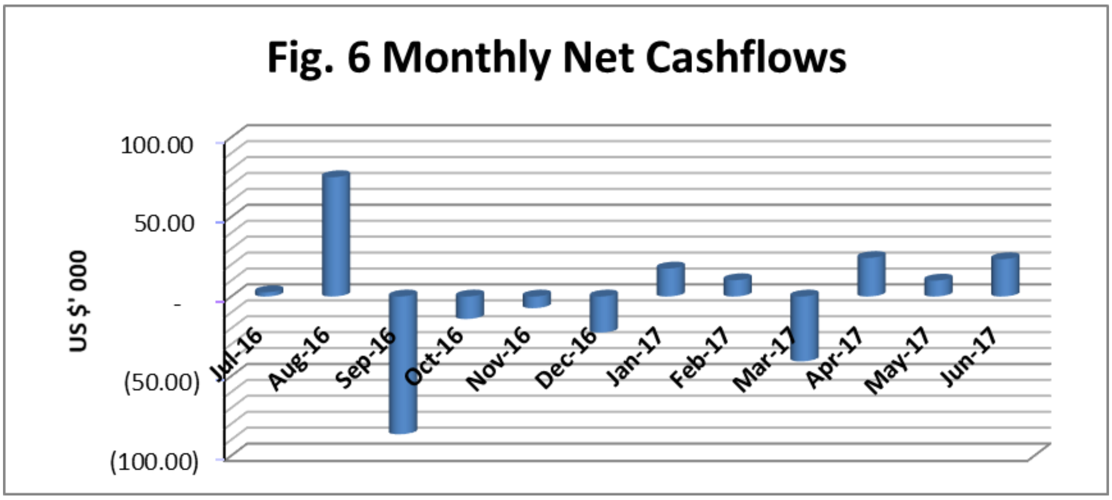


5 Expenditure





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 US$1, 504, 273.16 or 86% of the total expenditure.

b. Goods and Services

Goods and services such as stationery, repair & maintenance and other recurrent expenditure accounted for US$268,157.04 or 14% of the total expense.

c. Purchase of Capital Items

Capital expenses for the period under review were US$7,562.16which was below 1% of the total expense.

7 Outstanding Commitments and Borrowings

The Governance Commission outstanding commitment as of June 30th, 2017 is in the amount of US$112,996.75. See appendix 5 for detail breakdown.

8 Accumulated Surplus or Deficit/Net Worth

The Governance Commission has a surplus of US$10,695.14 for the period under reviewed and a currency translation loss US$13,667 which decreased the GC's reserve to US$107,304. This amount 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 30, 2017.

10 Conclusion

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.

…………………………………………
Kollie A. Dorko

FINANCE MANAGER

August 13, 2017
……………………………………………………………
Date

Governance Commission

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 30th 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 ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
GENERAL FUND							
RECEIPTS							
Authorized Allocation/Appropriation	**4**	1,766	0	0	1,993	0	0
Other Receipts	**5**	0	0	0	0	0	
Total Receipts - General Fund		**1,766**	**0**	**0**	**1,993**	**0**	**0**
PAYMENTS							
Operations:	**6**						
Compensation of Employees	**6a**	1,504	0	0	1,421	0	0
Consumption of Goods and Services	**6b**	244	0	0	512	0	0
Capital Expenditure	**6c**	8	0	0	24	0	0
Total Payments - General Fund		**1,755**	**0**	**0**	**1,958**	**0**	**0**
Net Cash Flow - Increase/(Decrease) in Cash - General Fund		**11**	**0**	**0**	**35**	**0**	**0**

Governance Commission

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 30th 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 ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Cash at the beginning of the year	**8**	92	0	0	56	0	0
Foreign currency translation difference		(14)	0	0	0	0	0
Cash at the End of the year - General Fund	**8**	89	0	0	92	0	0
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)							
RECEIPTS							
External Assistance:	**7**						
Grants From Multilateral Agencies		43	0	47	14	0	85
Grants From Bilateral & Other Agencies		0	0	0	0	0	0
Total Receipts - Capital Development Funds		**43**	**0**	**47**	**14**	**0**	**85**
PAYMENTS							
Operations:	**6**						

Governance Commission

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 30th 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 ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Wages, Salaries and Employee Benefits	6a	0	0	0	0	0	85
Consumption of Goods and Services	6b	23	0	47	10	0	0
Capital Expenditure	6c	0	0	0	0	0	0
Total Payments - Capital Development Funds		**23**	**0**	**47**	**10**	**0**	**85**
Net Cash Flow - Increase/(Decrease) in Cash - Donor Projects		**21**	**0**	**0**	**4**	**0**	**0**
Cash at the beginning of the year		0	0	0	(4)	0	0
Foreign currency translation difference		(2)	0	0	0	0	0
Cash at the end of the year - donor funds	**8**	19	0	0	0	0	0
Net Cash Flow - Increase/(Decrease) in Cash - All Funds		**31**	**0**	**0**	**39**	**0**	**0**

Governance Commission

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 30th 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 ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US $'000	000	$'000 U		$'000	U $'000
Cash at the Beginning of the year - All Funds	**8**	**92**	**0**	**0**	**53**	**0**	**0**
Cash at the End of the year - All Funds	**8**	107	0	0	92	0	0

GOVERNANCE COMMISSION
STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)
AS AT 31 MARCH 2017

Cash/Bank Account Details	Currency Held In	Notes	As at 30th June 2017 US $	As at 30 June 2016 US $	Change in Cash Balances US $
GENERAL FUND		8			
Bank Accounts					
GT Bank operational funds account (USD)	USD		9,156	31,656	(22,500)
GT Bank operational funds account (LRD)	LRD		34,769	24,659	10,110
GT Bank - NPF project (USD)	USD		5,458	0	5,458
GT Bank - NPF project (LRD)	LRD		17,274	0	17,274
GT Bank . Liberia Rising (USD)	USD		7,508	15,043	
GT Bank . Liberia Rising (LRD)	LRD		14,393	20,172	
Total held in Bank Accounts:			**88,558**	**91,530**	**(2,972)**
Total Cash and Bank Balances at the end of the period (General Fund):			88,558	91,530	(2,972)
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)		8			
Bank Accounts					
NPF (UNMIL)	USD		18,746	0	18,746
LHP project funded by UNESCO - GT Bank	USD		0	133	(133)
Constitution Review Committee (CRC) Central Bank of Liberia	USD		0	0	0
Total held in Bank Accounts:			**18,746**	**133**	**18,613**
Total Cash and Bank Balances at the end of the period (Donor Financed Projects):			18,746	133	18,613
TOTAL CASH AND BANK BALANCES - ALL PUBLIC FUNDS			107,304	91,663	18,613

The Accounting Policies and Notes set out on pages 26 to 35 form an integral part of the financial statements.

....
Kollie A. Dorko
Comptroller
Aug. 13, 2017
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 2017 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 authorization.

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 2017) exchange rate for the Liberian Dollar was 112.77 LD per US 1$.

c) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1st July 2016 to the 30th June 2017.

d) Payments by Third Parties

Governance Commission benefited 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)

Fiscal Year 2016-2017		Fiscal Year 2015-2016	
Description	**Actual**	**Actual**	**Diff. in Actuals**
	US $	**US $**	**US $**
UNDP	85,050	83,480	1,570
AfDB	-	280,003	(280,003)
Total Payment (External Parties)	**85,050**	**363,483**	**(278,433)**

Summary Analysis of Payments by External Parties (By Expenditure Type)

Fiscal Year 2016-2017		Fiscal Year 2015-2016	
Description	**Actual**	**Actual**	**Diff.in Actuals**
	US $	**US $**	**US $**
Education and Training Related	-	17,744	(17,744)
Consultancy	85,050	160,647	(75,597)
Workshops	-	172,767	(172,767)
Other Expenses	-	12,325	(12,325)
Total Payment (External Parties)	**85,050**	**363,483**	**(278,433)**

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 18th August, 2017 by Dr. Amos C. Sawyer, Chairman/Head of the Governance Commission.

4 Authorized Allocations/Appropriation

The total amount of Authorized Allocations received for the fiscal year 2016/2017 (July to June) was US $1,766,149.90 and US $1,992,873 for FY 2015/2016 (July to June), as presented in the Table below. The Final Approved Budget for the fiscal year was US $2,013,317.

Summary of Authorized Allocations/Appropriations for Fiscal Year 2016-2017

Amounts in US Dollars

Fiscal Year 2016-2017						Fiscal Year 2015-2016	
Description	Actual	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance %	Actual	Difference in Actuals
01 01 Administration & Management	**1,703,650**	**1,951,742**	**2,013,316**	**(241,316)**	**-12%**	**1,793,873**	**(345,474)**
Employee Compensation	1,503,773	1,631,208	1,679,048	(120,658)	-7%	1,421,259	(172,737)
Goods & Services	199,876	307,201	318,518	(107,325)	0%	348,166	(148,289)
Capital Expenditure	-	13,333	15,750	(13,333)	0%	24,448	(24,448)
GOL Counterpart Fund/AfDB	-	-	-	-		**99,000**	
Liberia Rising	12,500	-	-			**100,000**	
National Political Forum	50,000						
Total	**1,766,150**	**1,951,742**	**2,013,316**			**1,992,873**	

The comparative analysis of Estimated and Actual Receipts for the fiscal year 2016/2017 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 (July 2016-June 2017) was US $1,755,454.46 and US $1,957,701.42(July 2015-June 2016) 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)
for Fiscal Year 2016-2017
Amounts in US Dollars

	Fiscal Year 2016-2017					Fiscal Year 2015-2016	
Description	**Actual**	**Final Budget**	**Original Budget**	**Difference: Final Budget and Actual**	**Percentage Variance %**	**Actual**	**Difference in Actuals**
01 01 Administration & Management							
	US $	US $	US $	US $	%	US $	US $
National Vision							
211104 · Honorarium	500	0	0	500	0		
Employee Compensation							
211110 · General allowances	1,174,090	1,271,208	1,319,048	(97,118)	-8%	1,062,500	111,590
211116 · Special allowance	329,683	360,000	360,000	(30,317)	-8%	358,759	(29,076)
Total General Fund	**1,504,273**	**1,631,208**	**1,679,048**	**(127,435)**	**-8%**	**1,421,259**	**82,514**
Donor Funds							
Professionals - OSIWA	-			-		-	-
Total All Funds	**1,504,273**	**1,631,208**	**1,679,048**	**(127,435)**	**-8%**	**1,421,259**	**82,514**

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)
for Fiscal Year 2016-2017
Amounts in US Dollars

	Fiscal Year 2016-2017					Fiscal Year 2015-2016	
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)	166,625	307,201	318,518	(140,576)	-46%	346,270	(179,645)
Liberian History Project(GOL)	263	-	-	263		6,510	
National Symbol Review Project(GOL)	-	-	-	-		11,393	(11,393)
GOL Counterpart Fund/AfDB	15,318	-	-	15,318		84,082	(68,764)
National Political Forum	25,902						
National Vision	35,510	-	-	35,510		63,740	(28,230)
Total General Fund	**243,619**	**307,201**	**318,518**	**(89,485)**	**-29%**	**511,994**	**(191,037)**
Donor Funds							
UNDP							
Liberia Decentralization Support Program	8,715					9,455	(740)
Constitution Review Committee	-					700	(700)
Sub Total - UNDP Projects	**8,715**	-	-	-		**10,155**	**(1,440)**
National Political Forum	**14,152**						
UNESCO(Liberian History Project)	-					235	(1,440)
AfDB	-					(11,882)	(1,440)
02 OSIWA						5,066	
National Integrity Forum (Liberia Chamber of Commerce)	-					6,500	(2,880)
Donor Funded Projects	**22,867**	**-**	**-**	**-**	**-**	**10,074**	**(7,200)**
Total All Funds	**266,486**	**307,201**	**318,518**	**(89,485)**	**-29%**	**522,068**	**(198,237)**

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)
for Fiscal Year 2016-2017
Amounts in US Dollars

	Fiscal Year 2016-2017					Fiscal Year 2015-2016	
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)	**$ 7,562**	$ 13,333	$ 15,750	$ (5,771)	-43%	$ 24,448	$ (16,886)
Liberian History Project(GOL)		-		-		-	-
National Symbol Review Project(GOL)		-		-		-	-
Sub Total (General Fund)	**$ 7,562**	**$ 13,333**	**$ 15,750**	**$ (5,771)**	**-43%**	**$ 24,448**	**$ (16,886)**
Donor Funds							
Liberia Decentralization Support Program	-	-	-	-		$ -	$ -
French Embassy	-	-	-	-		-	-
Donor Funded Projects	**-**	**-**	**-**	**-**	**-**	**$ -**	**$ -**
Total All Funds	**$ 7,562**	**$ 13,333**	**$ 15,750**	**$ (5,771)**	**-43%**	**$ 24,448**	**$ (16,886)**

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

The table below shows grants received from multilateral agencies. For the 2016/2017 FY, Governance Commission received the total of US$43,448 from UNDP (withholding taxes on payments made to consultants on the Liberia Decentralization Support Program) and UNMIL (National Political Forum) while US$13,740 was received in the same period of FY 2015/316. **See note 7 for breakdown detail.**

Funds Received from Multi and Bi lateral Agencies (Donor Funds)							
Fiscal Year 2016-2017					Fiscal Year 2015-2016		
Expenditure Code	02 LDSP/UNDP	National Political Forum UNMIL	02 AfDB FSF pillar III Support	Total	UNDP (LDSP&CRC)	02 AfDB FSF pillar III Support	Total
	US $		US $	US $	US $	US $	US $
Multilateral Agencies							
222102 · Workshops, conferences & seminr	8,815	34,633	-	43,448	10,240	3,500	13,740
Sub Total (Multi Lateral Agencies)	8,815	34,633	-	43,448	10,240	3,500	13,740
Bi Lateral Agencies							
222102 · Workshops, conferences & seminr	-		-	-	-	-	-
Sub Total (Bi lateral Agencies)	-	-	-	-	-	-	-
Grand Total	8,815	34,633	-	43,448	10,240	3,500	13,740

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 1 July 2016 to 30th June 2017) as for the financial statements. The original budget of US $ 2,013,317 approved by the National Legislature still remains as the final budget for the reporting period.

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 2017**.**

SUPPLEMENTARY DISCLOSUERS

Appendix 1 - Detailed Analysis of Goods and Services Expenditure (General Fund)

Appendix 1 - Detailed Analysis of Goods and Services Expenditure (General Fund)																
Fiscal Year 2016-2017											Fiscal Year 2015-2016					
Expenditure Code	01 01 Admin & Mgmt Pmts by GC	National History Project	02 NSRP	GOL Counterpart Fund/AfDB	National Political Forum	National Vision	Total Actual	Original	Final Budget	Difference: Final Budget and Actual	01 01 Admin & Mgmt Pmts by GC	GOL Counterpart Fund/AfDB	National History Project	02 NSRP	National Vision	Total Actual
	US $	US $	US $				US $	US $	US $	US $	US $		US $	US $		US $
GOODS AND SERVICES																
200000U · Unspicified Expenses GOL Projec				15,318			15,318	$ -				$ 29,691.99				29,691.99
221201 · Electricity							-	-	-	-						-
221203 · Telecommunications, internet,	30,659						30,659	26,125	32,325	1,666	43,229	54,390				97,618.92
221303 · Office rental or lease	-						-	50,000	50,000	50,000	45,000					44,999.98
221401 · Fuel & lubricants - vehicles	29,797						29,797	30,452	37,452	7,655	106,364					106,363.93
221402 · Fuel & lubricants - generators	6,711						6,711	4,512	6,512	(199)	3,123					3,122.82
221501 · Repairs & maintenance, civil	6,247						6,247	5,000	6,288	42	10,635					10,634.90
221502 · Repairs & maintenance, vehicles	6,903						6,903	10,000	10,000	3,097	28,482					28,481.95
221503 · Repair & maintenance-Generators	2,367						2,367	7,200	7,200	4,833	8,117					8,116.77
221504 · Repairs & maint, machinery, equ	5,178						5,178	5,000	5,187	9	5,036					5,035.99
221505 · Repairs & Maintenance-ICT	1,731						1,731	5,000	5,000		4,092					4,092.20
221601 · Cleaning Materials and services	1,521						1,521	2,400	3,400	1,879	2,864					2,863.66
221602 · Stationery	5,257						5,257	3,150	4,150	(1,107)	2,933					2,933.00
221603 · Printing, binding & publication	-						-	-	-	-	-					-
221605 · Computer Supplies & ICT Service	8,238						8,238	8,400	10,400	2,162	8,017					8,017.47
221701 · Consultancy Services	-						-	-	-	-	-					-
221903 · Staff training - local	3,290						3,290	-	-		300					300.00
221904 · Staff Training – Foreign	822						822	20,000	822	-	3,220					3,219.81
221908 · Scholarship-Foreign	4,126						4,126	30,100	54,126	50,000	3,395					3,395.00
222102 · Workshops, conferences & seminar	5,342	21					5,362	7,200	4,253	(1,109)	5,498		5,302	11,296		22,095.93
222105 · Entertainment represent & gifts	2,300						2,300	2,400	1,875	(425)	1,121					1,120.70
222108 · Advertising & public relations	2,936						2,936	6,000	2,000	(936)	16,677					16,676.60
222109 · Operational Expenses	4,958	20			25,902	34,916	65,797	7,379	12,379	(53,418)	8,241		1,000		63,364	72,603.91
222113 · Guard & Security Services	20,860						20,860	21,000	21,000	140	21,000					20,999.97
222116 · Bank Charges and other Bank Rel	2,002	222				594	2,818	600	1,697	(1,121)	1,139		208	97	376	1,820.11
223101 · Personnel Insurance	13,719						13,719	15,000	13,571	(148)	16,527					16,526.99
223106 · Vehicle insurance	1,289						1,289	1,600	1,315	26	1,262					1,261.72
224115 · Local & Other Arrears	373						373	50,000	16,250	15,877	-	-	-	-	-	-
Total Goods & Services	**166,625**	**263**	**-**	**15,318**	**25,902**	**35,510**	**243,619**	**318,518**	**307,201**	**63,045**	**346,270**	**84,082**	**6,510**	**11,393**	**63,740**	**511,994**

Appendix 2 - Detailed Analysis of Goods and Services Expenditure (Donor Funds)

Appendix 2 - Detailed Analysis of Goods and Services Expenditure (Donor Funds)														
Fiscal Year 2016-2017								Fiscal Year 2015-2016						
Expenditure Code	02 LDSP/UNDP	National Political Forum UNMIL	UNDP - Constitution Review Committee	02 UNESCO Liberia history Project	02 AfDB FSF Pillar III Support	PSRP	Total	02 LDSP/UNDP	UNDP - Constitution Review Committee	02 OSIWA	02 UNESCO Liberia history Project	02 AfDB FSF pillar III Support	PSRP	Total
2111														
221101 Foreign Travel-Means of Travel							-							-
221102 Foreign Travel-Daily Allowance							-	-						-
221203 · Telecommunications, internet,							-		-					-
221603 · Printing, binding & publication							-							-
221701 · Consultancy Services	8,715						8,715	9,455	700	-		(5,000)	6,500	11,655
222102 · Workshops, conferences & seminr		14,105					14,105	-	-	4,886	235	(8,222)	-	(3,101)
222108 · Advertising & public relations							-				-			-
222109 · Operational Expenses		47					47	-	-					-
222110 · Subscriptions												1,260		1,260
222116 · Bank Charges and other Bank Rel							-		-	180		80		260
Total	**8,715**	**14,152**	**-**	**-**	**-**	**-**	**22,867**	**9,455**	**700**	**5,066**	**235**	**(11,882)**	**6,500**	**10,074**

1 Appendix 3 - Detailed Analysis of Capital Expenditure

Appendix 3 - Detailed Analysis of Capital Expenditure (General Funds)											
Fiscal Year 2015-2016							Fiscal Year 2014-2015				
Expenditure Code	01 01 Admin & Mgmt Pmts by GC	02 NSRP	National History Project	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	1,635	-	-	1,635	5,000	833	6,384	-	-	6,384
232221 · Furniture and Fixtures	-	-	-	-	3,000	2,500	12,424	-	-	12,424
232301 · ICT infrastructure, hardware	5,927	-	-	5,927	7,750	10,000	5,640	-	-	5,640
Total	**$ 7,562**	**$ -**	**$ -**	**$ 7,562**	**$15,750**	**$ 13,333**	**$ 24,448**	**$ -**	**$ -**	**$ 24,448**

Appendix 4 – Employees Compensation

Appendix 4 Detailed Analysis on personnel							
2016- 2017						2015- 2016	
Description	**Actual**	**Final**	**Original**	**Variance**	**%Variance**	**Actual**	**Variance in Actuals**
Administration & Management							
National Vision	US $	US $	US $	US $	%	US $	US $
211104 · Honorarium	500	0	0				
Employee Compensation							
211110 · General allowances	1,174,090	1,271,208	1,319,048	(97,118)	-8%	1,062,500	111,590
211116 · Special allowance	329,683	360,000	360,000	(30,317)	-8%	358,759	(29,076)
Total General Fund	1,504,273	1,631,208	1,679,048	(127,435)	(0)	1,421,259	82,514
Donor Funds							
OSIWA							
211126 · Professionals	0	0	0	0	0%	-	-
Total General Fund & Donor Fund	1,504,273	1,631,208	1,679,048	**0**	**0**	1,421,259	82,514