Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

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

For the period July 1, 2020 to June 30 2021

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
F/S	Financial Statements
FCCA	Fellow Chartered Certified Accountants
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

AUDITOR GENERAL'S REPORT ON THE FINANCAL STATEMENT AUDIT OF THE GOVERNANCE COMMISSION (GC) FOR THE PERIOD ENDED JUNE 30, 2021

Adverse Opinion
We have audited the financial statements of the Governance Commission (GC) for the fiscal period July 1, 2020 to June 30, 2021 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 2021, 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 2021, 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.

- Transactions amounting to US$1,250.00 and L$1,001,219.61 was expended for various goods and services without the required authorized signatories.

- Bank reconciliation statements for Guaranty Trust Bank (GTB) account No. 203304887210, 203304887212, 203313561211, 203304887110, 203313561110, 203313561210, 203304887112, were not prepared for several months.

- Management of GC disbursed US$3.041.08 as employees' contributions to NASSCORP without evidence of receipts from NASSCORP.

- Management disbursed the total amount of US$772,106.80 as staff general allowance and US$ US$10,130.33 disbursed to vendors for goods and services without evidence that the taxes were subsequently remitted to the LRA.

- Management made payments amounting to L$10,357.18 and US$19,377.29 without evidence of supporting documents such as payment vouchers and invoices to validate the transactions.

- During the audit, we observed that Management of GC procured and utilized fuel amounting US$ 2,284.55 without a distribution log.

- Management made several payments amounting to US$2,680.00 and L$ 64,400.00 representing reimbursements to the Commissioners without adequate supporting documentation.

- Management procured several goods and services amounting to L$127,200.00 and US$ 2,928.54 which were not included in the approved procurement plan.

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, 2021.

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 entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the World Bank guideline and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's 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.

GENERAL AUDITING OFFICE OF THE AUDITOR GENERAL REPUBLIC OF LIBERIA

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 13, 2021
……………………………………………………

Date

REPORT OF THE FINANCE MANAGER

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 2021 and of its financial position as at that date.

The FY2020/21 Approved Budget

Governance Commission had a draft budget of US$1,111,130 for the year under review. The final budget approved by the Government for the year was US$1,131,204; of this amount, the Commission received US$883,890.29 from MOFDP. This represents a decreased in allotment of US$247,313.71 which is 22%.

1 Summary

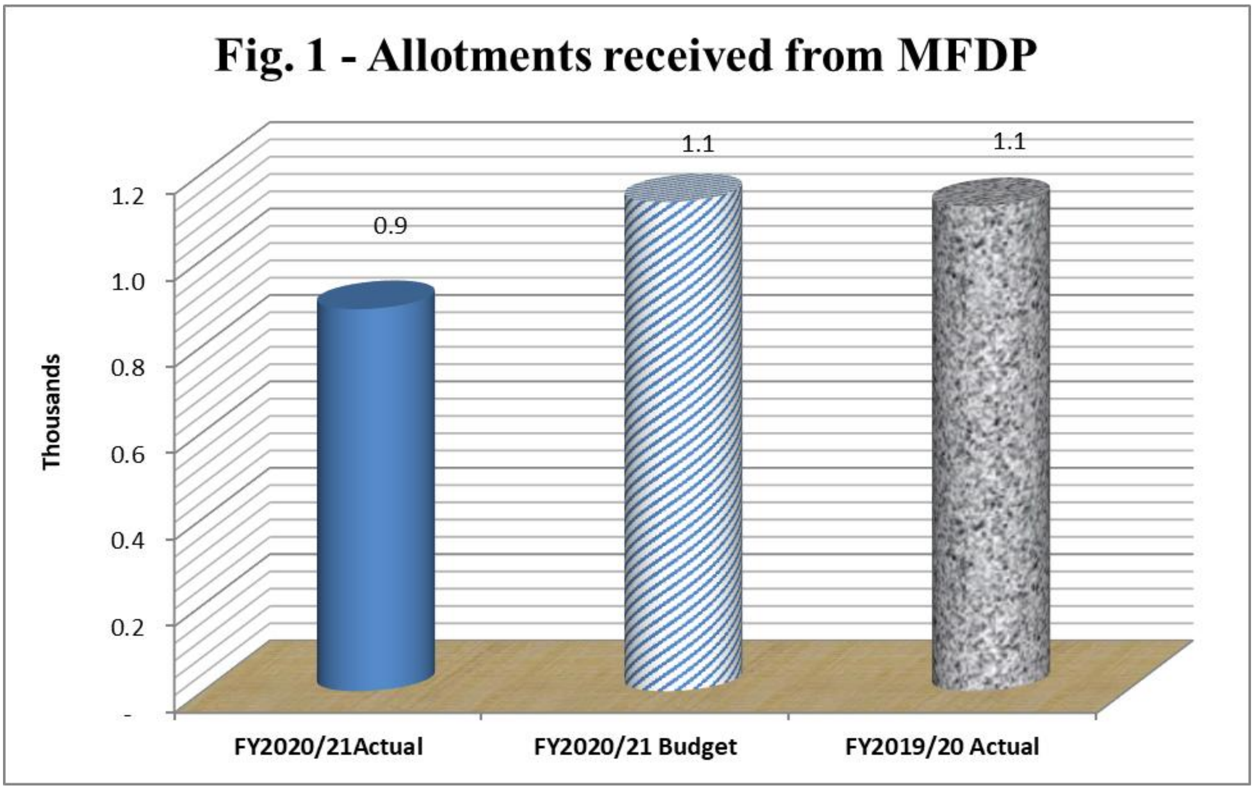
GOVERNANCE COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (GENERAL FUND)
FOR Fiscal year 2020-2021 ENDED 30th June 2020

- Budget Approved on the Cash Basis

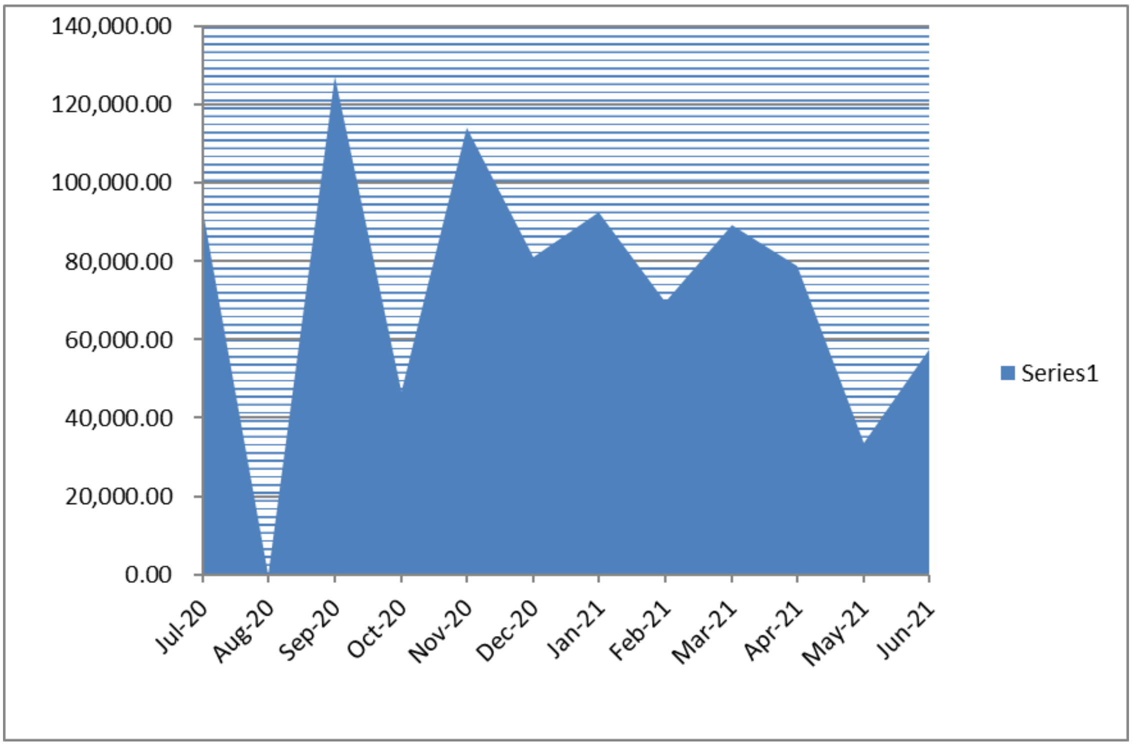
	For the Fiscal year Ended 30th June 2021 (FY2020/21)					FY2019/20
ACCOUNT TITLE/DESCRIPTION	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance	Actual Amounts
	US $'000	US $'000	US $'000	US $'000	%	US $'000
CASH INFLOWS						
Authorized Allocation/Appropriation	884	1,131	1,111	(247)	-22%	1,122
Other Receipts	-	-	-	-	-	-
Total Cash Receipts	**884**	**1,131**	**1,111**	**(247)**	**-22%**	**1,122**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	856	1,044	1,010	188	18%	1,102
Goods and Services Consumed	31	87	101	56	65%	22
Capital Expenditure	-	-	-	-	-	-
GOL Project		-	-			
Total Cash Payments	**887**	**1,131**	**1,111**	**244**	**22%**	**1,124**
NET CASH FLOW - GENERAL FUND	(3)	-	-	(491)	-	(2)

Revenue Receipts

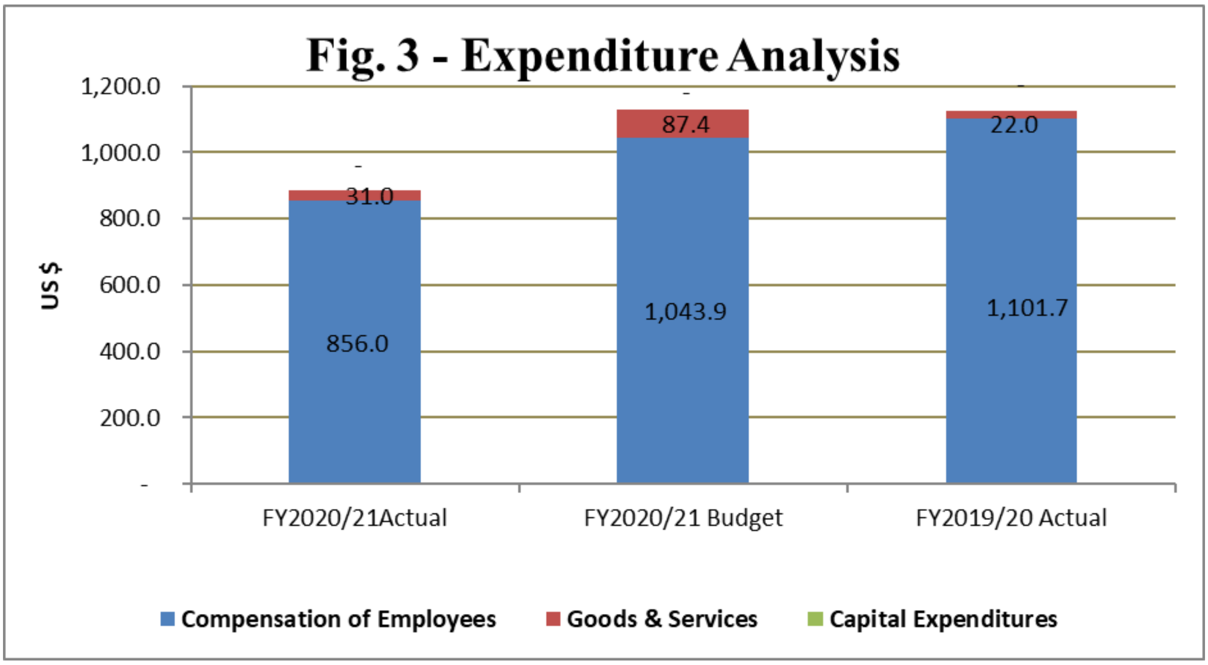
Revenue receipts include allotments received from Ministry of Finance & Development Planning (MFDP). Total revenue received from MFDP amounted to US$883,890.29. Of the amount of 883,890.29 for operating revenue, UD$161,547.29 represents withholding income taxes and employees NASCORP payment deducted and withheld by MFDP. These amounts were recorded for reporting purposes only.



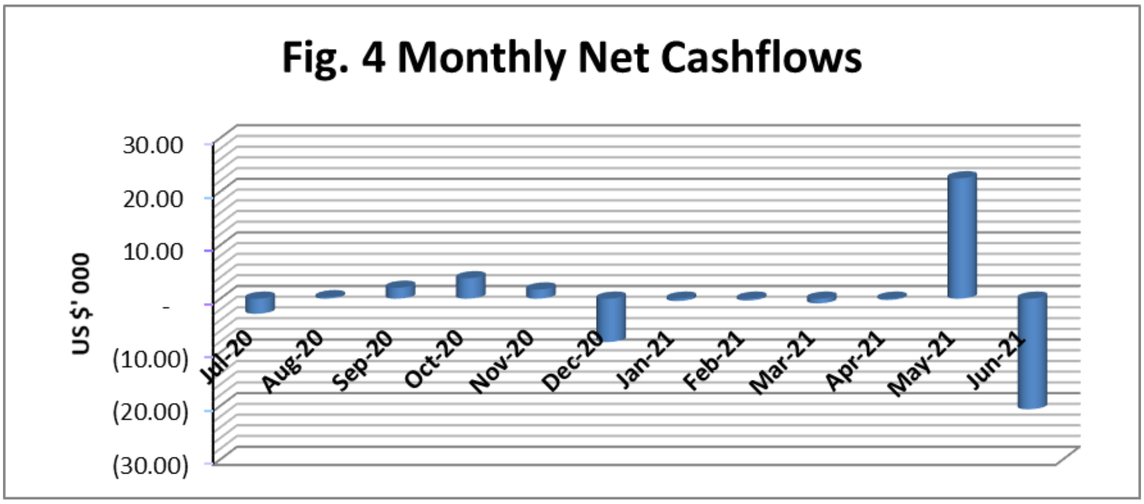
Allotments received from MFDP+ Others



2 Expenditure



3 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$856,017.04 or 97% of the total expenditure. Of this amount, 161547.29 was actually withholding income taxes and 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$31006.44 or 3% of the total expense.

c. Purchase of Capital Items

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

4 Outstanding Commitments and Borrowings

The Governance Commission outstanding commitment as of June 30th, 2021 was US$ 51,656.07.

5 Accumulated Surplus or Deficit/Net Worth

The Governance Commission has a deficit of US$3,133 for the fiscal year 2020/2021, a foreign translation gain of US$3,778 and a beginning cash balance of US$2,202 which affected the GC's reserve of US$2,847.18. This reserve is held in various bank accounts in USD and in LRD. The details are available in the Statement of Cash Position.

6 Contingent Liabilities

The Governance Commission had no contingent liabilities as of June 30th, 2021.

7 Conclusion

The Financial Statements for the financial year ended 30th June 2021 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.

....
Kollie A. Dorko

FINANCE MANAGER

August 13, 2021
....
Date

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2021

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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**	884	0	0	0	0	0
Other Receipts	**5**	0	0	0	0	0	
Total Receipts - General Fund		**884**	**0**	**0**	**0**	**0**	**0**

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
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		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
PAYMENTS							
Operations:	**6**						
Compensation of Employees	**6a**	856	0	0	1,102	0	0
Consumption of Goods and Services	**6b**	31	0	0	22	0	0
Capital Expenditure	**6c**	0	0	0	0	0	0

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
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		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Total Payments - General Fund		**887**	**0**	**0**	**1,124**	**0**	**0**
Net Cash Flow - Increase/(Decrease) in Cash - General Fund		**(3)**	**0**	**0**	**(1,124)**	**0**	**0**

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
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		US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Cash at the beginning of the year	**8**	2	0	0	1,126	0	0
Foreign currency translation difference		4	0	0	0	0	0
Cash at the End of the year - General Fund	**8**	3	0	0	2	0	0

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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>CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)</u>							
RECEIPTS							
External Assistance:	**7**						
Grants From Multilateral Agencies		0	0	0	0	0	0

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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
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**						

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	**NOTES**	**FOR THE Fiscal year ENDED 30th June 2021**			**FOR THE Fiscal Year ENDED 30th June 2020**		
		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	0
Consumption of Goods and Services	**6b**	0	0	0	0	0	0
Capital Expenditure	**6c**	0	0	0	0	0	0
Total Payments - Capital Development Funds		**0**	**0**	**0**	**0**	**0**	**0**

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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
Net Cash Flow - Increase/(Decrease) in Cash - Donor Projects		**0**	**0**	**0**	**0**	**0**	**0**
Cash at the beginning of the year		0	0	0	0	0	0
Foreign currency translation difference		0	0	0	0	0	0

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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 end of the period - donor funds	**8**	0	0	0	0	0	0
Net Cash Flow - Increase/(Decrease) in Cash - All Funds		**(3)**	**0**	**0**	**(1,124)**	**0**	**0**

Governance Commission

STATEMENT OF CASH RECEIPTS AND PAYMENTS (ALL PUBLIC FUNDS)
FOR THE PERIOD ENDED July 31, 2020-June, 30, 2021 (FY2020/21)

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE Fiscal year ENDED 30th June 2021			FOR THE Fiscal Year ENDED 30th June 2020		
		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 period- All Funds	**8**	**2**	**0**	**0**	**1,126**	**0**	**0**
Cash at the End of the period - All Funds	**8**	3	0	0	2	0	0

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (GENERAL FUND)
FOR Fiscal year 2020-2021 ENDED 30th June 2020

- Budget Approved on the Cash Basis

	For the Fiscal year Ended 30th June 2021 (FY2020/21)					FY2019/20
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	884	1,131	1,111	(247)	-22%	1,122
Other Receipts	-	-	-	-	-	-
Total Cash Receipts	**884**	**1,131**	**1,111**	**(247)**	**-22%**	**1,122**
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	856	1,044	1,010	188	18%	1,102
Goods and Services Consumed	31	87	101	56	65%	22
Capital Expenditure	-	-	-	-	-	-

GOL Project		-	-			
Total Cash Payments	**887**	**1,131**	**1,111**	**244**	**22%**	**1,124**
NET CASH FLOW - GENERAL FUND	(3)	-	-	(491)	-	(2)

Budget variance Reason

The budget variance exists because the Commission was allotted and received less funding vis-à-vis the amount that was appropriated for the fiscal year reported for.

GOVERNANCE COMMISSION

STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)

AS AT 30 June 2021

Cash/Bank Account Details	Currency Held In	Notes	As of 30th June 2021 US $	As of 30th June 2020 US $	Change in Cash Balances US $
GENERAL FUND	-	8			
Bank Accounts			-	-	-
GT Bank operational funds account (USD)	USD		1,583	1,359	2,942
GT Bank operational funds account (LRD)	LRD		1,264	887	2,151
GT Bank . Liberia Rising (Vision 2030) (USD)	USD		0	38	38
GT Bank . Liberia Rising (Vision 2030) (LRD)	LRD		0	(82)	(82)
Total held in Bank Accounts:			**2,847**	**2,202**	**645**
Total Cash and Bank Balances at the end of the period (General Fund):			2,847	2,202	645
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	2,847	2,202	0

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

……………………………………… ………………………………………

Elizabeth Dorkin — Commissioner/Office-In-Charge

Kollie A. Dorko — Comptroller

August 13, 2021 ……………………………………………………

Date

August 13, 2021 ………………………………………….

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 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 recognized in the statement of financial performance.

The year-end (30th June 2021) exchange rate for the Liberian Dollar was 170.72 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 2021.

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 2020-2021		Annual Report FY 2019-2020	
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 2020-2021		Annual Report FY 2019-2020	
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 Authorized 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 13th August, 2021 by Elizabeth Dorkin, Commissioner/Office-In-Charge of the *Governance Commission*.

4 Authorized Allocations/Appropriation

The total amount of Authorized Allocations received for FY2020/21 was US $883,890.29. Of this amount US$722,343 represent actual money received from MFDP for operating revenue while US$161,547.29 belongs to withholding taxes and 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 2020-2021 Amounts in US Dollars							
Annual Report FY 2020-2021						**Annual Report FY 2019-2020**	
Description	**Actual**	**Final Budget**	**Original Budget**	**Difference: Final Budget and Actual**	**Percentage Variance %**	**Actual**	**Difference in Actuals**
01 01 Administration & Management	**883,890**	**1,131,204**	**1,111,130**	**(408,861)**	**-36%**	**1,121,949**	**(86,080)**
Employee Compensation	853,692	1,043,851	1,009,924	-	0%	1,108,472	(102,801)
Basic salary - civil service	692,145	1,043,851	1,009,924	(351,706)		735,586	
General Allowance	-	-	-	-		99,051	(99,051)
Special Allowance	-	-	-	-		3,750	(3,750)
Honoriraum							
Income tax and NASCORP payment	161,547					270,085	
Goods & Services	30,198	87,353	95,706	(57,155)		13,477	16,721
Capital Expenditure			5,500				
Local and Other Arrears		-					
National Political Forum		-	-	-		-	-
National History Project	-			-		-	-
Total	**883,890**	**1,131,204**	**1,111,130**	**(408,861)**	**-36%**	**1,121,949**	**(86,080)**

The comparative analysis of Estimated and Actual Receipts for the FY2020/21 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 2020/2021 was US $887,023.48 and US $1,123,684.43 for FY 2019/20 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 2020-2021 Amounts in US Dollars							
Annual Report FY 2020-2021						**Annual Report FY 2019-2020**	
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	855,444	1,043,851	1,009,924	188,407		1,006,845	
211110 · General allowances	573			573	#DIV/0!	81,304	(80,730)
211116 · Special allowance				-	#DIV/0!	13,552	(13,552)
Total General Fund	**856,017**	**1,043,851**	**1,009,924**	**573**	**5%**	**1,101,701**	**(94,282)**
Donor Funds							
Professionals - OSIWA	-			-		-	-
Total All Funds	**856,017**	**1,043,851**	**1,009,924**	**573**	**5%**	**1,101,701**	**(94,282)**

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 2020-2021
Amounts in US Dollars

Annual Report FY 2020-2021						**Annual Report FY 2019-2020**	
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)	30,943	87,353	101,206	(56,410)	-65%	20,587	10,356
Liberian History Project(GOL)	21	-	-	21		-	
National Political Forum	-	-	-	-		-	-
GOL Counterpart Fund/AfDB	-						
National Vision	42	-	-	42		1,397	(1,355)
President Legacy						-	
Total General Fund	**31,006**	**87,353**	**101,206**	**(56,389)**	**-65%**	**21,984**	**10,356**
Donor Funds							
UNDP							
Cabinet Retreat/UNDP	-					-	-
Constitution Review Committee	-					-	-
Strengthen Transparency, Accountability, Oversight and Participation (STAOP)	-					-	-
Sub Total - UNDP Projects	-	-	-	-		-	-
National Political Forum UNMIL	-					-	-
UNESCO(Liberian History Project)	-					-	-
PSRP	-					-	-
AfDB	-					-	-
National Integrity Forum (Liberia Chamber of Commerce)	-					-	-
Donor Funded Projects	-	-	-	-	-	-	-
Total All Funds	**31,006**	**87,353**	**101,206**	**(56,389)**	**-65%**	**21,984**	**10,356**

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 2020-2021							
Amounts in US Dollars							
Annual Report FY 2020-2021						Annual report FY 2019-2020	
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)	$ -	$ -	$ 5,500	$ -	0%	$ -	$ -
Liberian History Project(GOL)		-		-		-	-
National Symbol Review Project(GOL)		-		-		-	-
Sub Total (General Fund)	**$ -**	**$ -**	**$ 5,500**	**$ -**	**0%**	**$ -**	**$ -**
Donor Funds							
Liberia Decentralization Support Program	-	-	-	-		$ -	$ -
French Embassy	-	-	-	-		-	-
Donor Funded Projects	**-**	**-**	**-**	**-**	**-**	**$ -**	**$ -**
Total All Funds	**$ -**	**$ -**	**5,500.04**	**$ -**	**0%**	**$ -**	**$ -**

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)										
Fourth Quarter FY 2020-2021					Fourth Quarter 2019-2020					
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 2020 to 30th June 2021) 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 2021**.**

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

Money received and expenses incurred for the fiscal year 2019/2020 were reported under the fiscal year 2020/2021. 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)

Appendix 1 - Detailed Analysis of Goods and Services Expenditure (General Fund)															
FY 2020-2021										FY 2019-2020					
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						-									-
221105 · Domestic travel-daily allowance	$ 600.00					600.00									
221201 · Electricity						-	-	-	-						-
221203 · Telecommunications, internet,						-			-						-
221208 · Internet Provider Services	1,250					1,250.00									
221303 · Office rental or lease						-	50,000	50,000	50,000						-
221401 · Fuel & lubricants - vehicles	2,054					2,053.80	1,500	6,147	4,093						-
221402 · Fuel & lubricants - generators	889					889.35		2,000	1,111						-
221501 · Repairs & maintenance, civil	4,917					4,917.26	4,000		(4,917)	2,643					2,643.40
221502 · Repairs & maintenance, vehicles	1,441					1,440.72	3,000	3,000	1,559						-
221503 · Repair & maintenance-Generators						-			-						-
221504 · Repairs & maint, machinery, equ						-	1,000		-						-
221505 · Repairs & maint, ICT Equipment						-			-						-
221601 · Cleaning Materials and services	392					392.00			(392)						-
221602 · Stationery						-	1,500	2,000	2,000						-
221603 · Printing, binding & publication						-		1,206	1,206						-
221618 · Computer Supplies, parts & cabl	1,295					1,295.38	2,500		(1,295)						-
221701 · Consultancy Services						-			-						-
221903 · Staff Training – Local						-			-						-
221904 · Staff Training – Foreign						-			-						-
221908 · Scholarship-Foreign						-			-						-
222102 · Workshops, conferences & seminar						-	3,000	1,000	1,000						-
222105 · Entertainment represent & gifts						-	1,500		-						-
222108 · Advertising & public relations						-	2,500	1,000	1,000						-
222109 · Operational Expenses	4,253					4,253.09	1,995	-	(4,253)	5,425		1,066			6,491.42
222110 · Subscriptions						-			-						-
222113 · Guard & Security Services	12,714					12,714.37	21,000	21,000	8,286	11,518					11,518.17
222116 · Bank Charges and other Bank Rel	1,137	21			42	1,200.47	1,206		(1,200)	1,000		330			1,330.73
223101 · Personnel Insurance						-			-						-
223106 · Vehicle insurance						-	1,005		-						-
224115 · Local & Other Arrears						-			-						-
Total Goods & Services	**30,943**	**21**	**-**	**-**	**42**	31,006.44	**95,706**	**87,353**	**58,197**	**20,587**	**-**	**1,397**	**-**	**-**	**21,984**

Ensuring Accountability of Public Resources

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

Appendix 2 - Detailed Analysis of Goods and Services Expenditure (Donor Funds)																	
	Annual Report FY 2020-2021							Annual FY 2019-2020									
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		-				-	-			-	-					-
222108 · Advertising & public relations							-									-
222109 · Operational Expenses	-	-					-			-						-
222110 · Subscriptions							-									-
222116 · Bank Charges and other Bank Rel							-			-						-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 3 - Detailed Analysis of Capital Expenditure

Appendix 3 - Detailed Analysis of Capital Expenditure (General Funds)												
	Annual Report FY 2020-2021							Annual Report FY 2019-2020				
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	-					2,000	-		-	-	-
232221 · Furniture and Fixtures						2,500	-		-	-	-
232301 · ICT infrastructure, hardware						1,000	-	$ -	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,500**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Ensuring Accountability of Public Resources

Appendix 4 - Detailed Analysis of Commitment as of June 30, 2021

Appendix 4 - Outstanding Commitment as of June 30, 2021

Commitment Type	USD	LRD
Outstanding Commitments		
Office rental or lease	50,000	
Harbel Supermarket	345	
National Printers	300	
Super Petroleum	494	
United Business Supply		38475
Ten Graphics Links		49,800
Grand Total Outstanding Commitments in US $	**51,139.00**	**88,275.00**