AUDITOR GENERAL'S REPORT

ON THE FINANCIAL INTELLIGENCE UNIT (FIU) FINANCIAL STATEMENTS

For the Fiscal Period ended
June 30, 2015

March 2019

Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.
The Honorable Speaker of the House of Representatives, and the President Pro-Tempore of the House of Senate:

We have undertaken the audit of the Financial Intelligence Unit (FIU) financial statements for the fiscal Period ended June 30, 2015. The audit was conducted under the Auditor General’s statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

Findings conveyed in this report have been formally communicated to the Management of the Financial Intelligence Unit (FIU). Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

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

Monrovia, Liberia
March 2019
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AUDITOR GENERAL’S REPORT ON THE FINANCIAL INTELLIGENCE UNIT (FIU) FINANCIAL STATEMENTS FOR THE FISCAL PERIOD ENDED JUNE 30, 2015

We have audited the financial statements of the Financial Intelligence Unit (FIU), which comprise the statement of Cash Receipt and Payments for the period then ended, the Statement of Comparison Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting, 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.

Auditor General’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Basis for Adverse of Opinion

General Ledger
FIU management did not maintain a general ledger that provides detailed description of every account and balances. Further, we were unable to compare the total general ledger information to select items for further review.
Variance in Allotment per Financial Statement versus Allotment Received
The amounts reported by Management in its Financial Statements as actual allotments vary with allotments received as reported in the fiscal Outturn Report. Therefore the accuracy and completeness of allotments received as contained in the Financial Statements cannot be ascertained.

Cash and Bank Reconciliation
FIU maintained Three (3) bank accounts with three banking institutions. There was no evidence that the Finance Department conducted monthly bank reconciliation for the months from July 2014 to Feb 2015 for the various accounts. Due to the absence of bank reconciliation statements and the lack of documents for re-performance, we could not confirm the accuracies of the cash balances disclosed by management.

Third party Payment
FIU Management made multiple payments amounting to US$ 4,827.64 to several individuals and employees of the entity rather than the service providers.

Inadequate Supporting Documentation
The FIU Management expended the amount of L$280,281.15 for various goods and services without adequate supporting documentation to validate the genuineness of the transactions.

Petty Cash
The FIU management made multiple petty cash replenishment requests that exceeded the required threshold of US$200.00.

Adverse Opinion
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion Paragraph of our report, the accompanying financial statements do not present fairly the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Monrovia, Liberia
March, 2018