Management Letter

On the Audit of the Financial Intelligence Unit of Liberia Financial Statements

For The Fiscal Period Ended June 30, 2016

Promoting Accountability of Public Resources

Yusador S. Gaye, CPA, CGMA
Auditor General R.L.

Monrovia, Liberia
March 2019
Management Letter On the
Audit of the Financial Intelligence Unit Financial Statements
For the Fiscal Period Ended June 30, 2016

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Dear Hon. Cuffy:

The Financial Statement of the Financial Intelligence Unit of Liberia (FIU) for the fiscal period ended June 30, 2015 are subject to audit by the Auditor General in terms of Section 2.1.3 of the New General auditing commission (GAC) Act of 2014.

Introduction

The audit of the FIU financial statements for the fiscal period ended 30 June 2017 was completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Scope and Determination of Responsibility

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements.

And audit includes:

- Examination on a test basis of evidence supporting the amount and disclosures in the financial statements.
- Assessment of the accounting principles used and significant estimates made by management.
- Evaluation of the overall financial statement presentation.

The audit also included an examination, on a test basis, of evidence support compliance in all material respect with the relevant laws and regulations which came to our attention and are applicable to financial matters.
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The matter mentioned in this Management Letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/ or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Management of the FIU. Our responsibility is to express our opinion on these financial statements.

Appreciation
We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Financial Intelligence Unit of Liberia. The audit findings which were identified during the course of the audit are included below.

Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.
**ACRONYMS USED**

<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG</td>
<td>Auditor General</td>
</tr>
<tr>
<td>COBIT</td>
<td>Control Objective &amp; Related Information Technology</td>
</tr>
<tr>
<td>COSO</td>
<td>Committee on Sponsoring Organizations of the Tread way Commission</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>CGMA</td>
<td>Certified Global Management Accountant</td>
</tr>
<tr>
<td>CV</td>
<td>Cash Voucher</td>
</tr>
<tr>
<td>FAR</td>
<td>Fixed Asset Registry</td>
</tr>
<tr>
<td>GAC</td>
<td>General Auditing Commission</td>
</tr>
<tr>
<td>DG/CEO</td>
<td>Director General/Chief Executive Officer</td>
</tr>
<tr>
<td>ADCA</td>
<td>Assistant Director for Corporate Affairs</td>
</tr>
<tr>
<td>FC</td>
<td>Financial Controller</td>
</tr>
<tr>
<td>LO</td>
<td>Logistics Officer</td>
</tr>
<tr>
<td>GL</td>
<td>General Ledger</td>
</tr>
<tr>
<td>GOL</td>
<td>Government of Liberia</td>
</tr>
<tr>
<td>IAU</td>
<td>Internal Audit Unit</td>
</tr>
<tr>
<td>ISSAI</td>
<td>International Standards of Supreme Audit Institutions</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>FIU</td>
<td>Financial Intelligence Unit of Liberia</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Finance Management</td>
</tr>
<tr>
<td>PO</td>
<td>Purchase Order</td>
</tr>
<tr>
<td>PPCA</td>
<td>Public Procurement &amp; Concession Act</td>
</tr>
<tr>
<td>PPCC</td>
<td>Public Procurement &amp; Concessions Commission</td>
</tr>
<tr>
<td>VC</td>
<td>Voucher Copy</td>
</tr>
<tr>
<td>VFM</td>
<td>Value for Money</td>
</tr>
</tbody>
</table>
1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 General Ledger

1.1.1.1 Regulation A.3 (1&2) of the PFM act states that “(1) Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.

1.1.1.2 (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20.

1.1.1.3 Also Regulation I.2, of the PFM Act of 2009 States “Records classified as “accounts” include manual and electronic:

1.1.1.4 (a) Accounting records in the form of books, ledgers, ledger sheets, ledger cards, or machine tabulations; and (b) source documents for the accounting records in the form of vouchers, schedules, returns, bank or any other statements”.

1.1.1.5 During the conduct of the audit, we observed that there were no evidence that the FIU had a Ledger that provides detailed description of every general account and balances. Further, auditor was unable to compare the total general ledger information to select items for further review.

Risk

1.1.1.6 The non-maintenance of the General Ledger, the source of the account balances used for the preparation of a Trial balance could lead to material misstatement of the amounts in the financial statements.

Recommendation

1.1.1.7 The Management should provide substantive justification as to why they failed to maintain book of accounts.

Management’s Response

Disagreed

1.1.1.8 We have a general ledger system imbedded in the cash book of each bank account from where balances are extended into the trial balance and thence to the financial statements. See sample attached.
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Auditor General’s Position

1.1.1.9 Management’s assertion that the general ledger system is imbedded in the cash book of each bank account is not materially supported. Management did not attach any document as claimed in its response for the fiscal year 2015/2016.

1.1.1.10 Management should maintain a general ledger which is a collection of entire group of account that measures in term of monetary unit of accounts by account type, with debit and credit in separate columns and a beginning balance and ending balances of each account. Moreover, all individual transactions should be listed by date and include category of accounts for receipts and payments as required by IPSAS cash basis of accounting.

1.1.1.11 Additionally, it is recommended that Management graduates from Excel as a ledger to an Electronic book keeping system that cannot easily manipulated. Therefore, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.2 Variance in Allotment per Financial Statement versus Allotment Received

Observation

1.1.2.1 Section 36 (1) of the PFM Act of 2009 states that “It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister”.

1.1.2.2 During the audit, it was observed that the amounts reported by Management in its Financial Statements as actual allotments vary with allotments received as reported in the fiscal outturn reports. See below is table #1 with the variance for the fiscal year ended 2016:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Allotment received as per financial Statement US$</th>
<th>Actual Allotment/Fiscal Outturn reported as per GOL Budget US$</th>
<th>Variance US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/2016</td>
<td>665,262.00</td>
<td>638,634.00</td>
<td>26,628.00</td>
</tr>
</tbody>
</table>

Risk

1.1.2.3 The accuracy and completeness of allotments received as contained in the Financial Statements cannot be ascertained.

Recommendation

1.1.2.4 The Management of FIU should provide explanation of the variance noted in the amount reported and amount shown in the fiscal Outturn Report of the National Budget.
1.1.2.5 In additional Management should work closely with the MFDP to reconcile the variance noted.

**Management’s Response**

**Disagreed**

1.1.2.6 US$665,262 was not the actual allotment received for FY 2015/2016 but rather the approved budget. The Actual allotment received was for the FY 2015/2016 was US$ 642,860.50 and an outturn of 638,634 with the variance of US$ 4226.50 not received in payment from the MFDP.

**Auditor’s General Position**

1.1.2.7 The FIU Management’s assertion that the “US$ 665,262 was not actual allotment received for FY 2015/2016 but rather the approved budget” is not an excuse for non-reconciliation. It is a general responsibility under this PFM Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, accurate manner.

1.1.2.8 Management should plan to avoid urgency and ensure compliance with regulations P.9 of the PFM Act which states that, “Payment except for statutory transfers and debt services shall be supported by invoices, bills and other documents in addition to the payment vouchers.” Therefore, Management should account for the transactions without supporting documentation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.3 Payments to Third Party

**Observation**

1.1.3.1 Regulation B. 28 of the PFM Act of 2009 states that “A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment.

1.1.3.2 It was observed during the conduct of the audit that the FIU Management made multiple payments amounting to US$16,110.7 (Sixteen Thousand one hundred ten United States Dollars seventy cent) to several individuals and/or employees of the entity rather than the service providers. **Ref: Annexure 1 (table# 1).**

**Risk**

1.1.3.3 Checks issued in the names of individuals and/or employees could be diverted to personal use thus leading to misappropriation of funds.

**Recommendation**

1.1.3.4 The FIU Management should provide substantive justification for authorizing payments in the names of individuals who did not directly provide the goods and services.
1.1.3.5 Going forward, the FIU Management should refrain from making payments to individuals and/or employees who did not directly provide goods and services to the entity.

Management’s Response
Agreed

1.1.3.6 Management acknowledges the findings and notes however that for:1) “payment to Vendor Staff”: this was generally due to one of two reasons as a result of receiving the funds very late from MFDP: a) the vendor did not have a Liberian dollar bank account, or b) the travel date would have passed by the time the check clears the bank if the Vendor deposited the check in its bank account. Therefore, the Vendors provided written authorization for the amount to be paid in the name of one of its own staff. "Payment to individual” this was associated with doing business with individual Liberian contractor who did not have bank account. Please see attached for your reference.

Auditor’s General Position

1.1.3.7 We acknowledge Management’s acceptance of our recommendation. We will make a follow up on the implementation of the recommendations in subsequent audit of the Financial Intelligence Unit. However, Management is in breach of financial discipline in line with Regulation B. 28 of the PFM Act of 2009.

1.1.4 Petty Cash

Observation

1.1.4.1 Regulation B.33 (4) of the PFM Act of 2009 states that “the maximum amount that may be held as petty cash in any one calendar month is the equivalent of United Sates Dollars Two Hundred”.

1.1.4.2 It was noted during the conduct of the audit that the FIU Management did not have a policy on petty cash and therefore, were subjected to the GOL’s Petty Cash Threshold as established by the amended and restated PFM Act.

1.1.4.3 Further, we observed that multiple petty cash replenishment requests exceeded the required threshold of US$200.00 monthly and management failed to provide the petty cash replenishment report with the supporting transactions details. See table #2 for details:

Table# 2

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
<th>Check #</th>
<th>PV#</th>
<th>FIU Amount A US$</th>
<th>GOL approve Amount B</th>
<th>Variance (A-B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>9/10/15</td>
<td>Oretha M. Sendolo</td>
<td>Payment for the replenishment of Petty Cash</td>
<td>00000 151</td>
<td>00261</td>
<td>425.00</td>
<td>200.00</td>
<td>225.00</td>
</tr>
<tr>
<td>2</td>
<td>10/6/15</td>
<td>Oretha M.</td>
<td>Petty Cash</td>
<td>00000</td>
<td>00282</td>
<td>1,313.26</td>
<td>200.00</td>
<td>1,313.26</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
<th>Check #</th>
<th>PV#</th>
<th>FIU Approve Amount A US$</th>
<th>GOL Approve Amount B</th>
<th>Variance (A-B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>10/30/15</td>
<td>Oretha M. Sendolo</td>
<td>Payment for the replenishment of Petty Cash 44,000/89</td>
<td>000000 112</td>
<td>500</td>
<td>200.00</td>
<td></td>
<td>200.00</td>
</tr>
<tr>
<td>3.</td>
<td>4/25/16</td>
<td>Oretha M. Sendolo</td>
<td>Payment for the replenishment of Petty Cash 1,000</td>
<td>000000 236</td>
<td>1,000</td>
<td>200.00</td>
<td></td>
<td>800.00</td>
</tr>
<tr>
<td>5.</td>
<td>5/30/16</td>
<td>Oretha M. Sendolo</td>
<td>Payment for the replenishment of Petty Cash</td>
<td>000000 245</td>
<td>1,000</td>
<td>200.00</td>
<td></td>
<td>800.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,056.26</td>
<td>10,000.00</td>
<td>3,338.26</td>
</tr>
</tbody>
</table>

Risk
1.1.4.4 Failure to comply with the petty cash regulation/policy could lead to abuse of public resources.
1.1.4.5 Exceeding the petty cash threshold established by the PFM Regulation could lead to the misappropriation of the funds/ waste and abuse.

Recommendation
1.1.4.6 The FIU Management should provide substantive justification for exceeding the petty cash threshold established by the PFM Regulation.
1.1.4.7 Going forward, the FIU Management should ensure that the provisions of the PFM Act and its Regulation are adhered to unconditionally.

Management’s Response
Disagreed
1.1.4.8 Management adopted and Interim Petty Policy which set the petty cash ceiling at US$1,000 while its Financial Manual was being developed. Please see copy attached. Please see copy attached.

Auditor’s General Position
1.1.4.9 Management’s assertion is not materially supported. Regulation B33 (2) of the PFM Act of 2009 requires that “Names and titles of designated officers and amounts to be held in cash at specific periods and designated posts shall be communicated to and have the prior written approval of the Comptroller-General” wherein an entity intends to exceeds the petty cash ceiling of US$200.00.
1.1.4.10 Further, the general purpose of Petty cash is to have on hand a small amount of discretionary funds in the form of cash to be used for expenditures where it is not practical to make disbursements by check, because of the inconvenience and costs of writing, signing, and then cashing the check. The amount of petty should be backed by a policy and justification should be made for replenishment. Therefore, we maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.5 Inadequate Supporting Documentation

Observation

1.1.5.1 Regulation A.3.(1)(2) of the PFM Act state that “any public officer concerned with conduct of financial matters of the government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books or accounts and proper records of all transaction and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by the Minister”. (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20.

1.1.5.2 During the conduct of the audit, it was observed that the FIU Management expended the amount of L$ 1,790,622.08 and US$ 15,265.00 for various goods and services without adequate supporting documentation. Ref: Annexure 2 table #2

Risk

1.1.5.3 The authenticity of the transactions could be in doubt in the absence of adequate supporting documentation.

Recommendation

1.1.5.4 The FIU Management should provide the documentation for the transactions.

Management’s Response

Partially Agreed

1.1.5.5 Management acknowledges the audit finding. Management however notes that the absence of supporting documents such as business registration, tax clearance, no three quotations, etc is due generally to the difficulties and lateness associated with receiving funds form MFDP, the urgency of executing transactions having received the funds very late from MFDP; as well as, the difficulties of doing business with some samn Liberian businesses.

Auditor General’s Position

1.1.5.6 Management's assertion that "the absence of supporting documents such as business registration, tax clearance, no three quotations, etc is due generally to the difficulties and
lateness associated with receiving funds form MFDP, the urgency of executing transactions having received the funds very late from MFDP; as well as, the difficulties of doing business with some small Liberian businesses” is not material justification for transactions without supporting documentation. According to Regulation P.9 of the PFM Act of 2009, “Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers.” Therefore, Management should account for the transactions without supporting documentation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.6 Procurement Plan

Observation

1.1.6.1 Section 40 (1-2) of the Public Procurement and Concession(PPC) Act of 2005 as amended and restated in 2010 requires all procuring entities to undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act. For each fiscal period, each entity should prepare a draft annual procurement plan for goods, works and services for use by the procuring entity in the procuring entity’s budgeting process. Upon budget approval, the procurement Unit shall prepare an annual procurement plan for goods, works, and services in accordance with the procuring Entity’s approved programs and budget and furnish it to the Procurement Committee.

1.1.6.2 During the course of the audit, the FIU Management conducted procurement activities for goods and services and capital Items without an approved procurement plan by the PPCC which should have served as the instrument to guide the procurement of goods, services and works for the period 2015/2016

Risk

1.1.6.3 In the absence of a Procurement Plan, the entity could undertake discretionary procurement of goods and services that may not achieve maximum value for the institution, or support the entity’s approved programs and budget.

Recommendation

1.1.6.4 The Management of Financial Intelligence Unit (FIU) should ensure that they ahead to section 40 (2), (3), (5) and section 27 (a) of the PPCC act.

Management’s Response

Agreed

1.1.6.5 Management acknowledges the audit finding. Management however notes that this is associated with the inception of administrative activities at the FIU at which time the administrative structure of the FIU was not fully established.
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Auditor General’s Position
1.1.6.6 We acknowledge Management’s acceptance of our recommendation. We will make a follow up on the implementation of the recommendations in subsequent audit of the Financial Intelligence Unit. However, Management is in breach of Section 40 (1-2) of the PPC Act of 2005 as amended and restated in 2010.

1.1.7 Non-Functional Procurement Committee

Observation
1.1.7.1 It is a requirement under section 27 of the PPC Act of 2010 that a Procurement Committee shall perform the following functions:
   a) Review and approve procurement plans in order to ensure that they support the objectives and operations of the Entity and comply with the national budget process;
   b) Oversee all the procurement functions of the Procuring Entity set forth in Parts IV and V of this Act;
   c) Ensure compliance of the Procuring Entity with this Act and its regulations;
   d) Review the activities of the Procurement Unit and the Bid Evaluation Panels and provide advice and direction where necessary to ensure selection of the lowest responsive evaluated bid in accordance with the requirements of Parts IV and V of this Act;
   e) Verify that a budget allocation is available under the Public Financial Management Law for the expected amount of any contract award and, before giving any approvals pursuant to clause (f) of this Section, ensure that a budget allocation is available in the amount of any bid or proposal recommended by a Bid Evaluation Panel;
   f) Receive the reports and recommendations of the Bid Evaluation Panel and reject the award if not consistent with the requirements of this Act, for procurements in excess of the relevant Thresholds contained in Section 7 of the Schedule.

1.1.7.2 During the conduct of our audit, it was not evident that Financial Intelligence Unit Procurement Committee performs the functions enshrined in section 27 of the Public Procurement and Concession Act of 2005 as amended and restated in 2010.

Risk
1.1.7.3 Non-functionality of the Procurement Committee could lead to arbitrary procurement decision which could promote conflict of interest, none achievement of value for money, fraud and corruption.
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Recommendation
1.1.7.4 The Management of the FIU should ensure that the Procurement Committee is functional and all procurement decisions should be discussed in the Procurement Committee meeting and resolved before implementation.

Management’s Response
Disagreed
1.1.7.5 See attached documents- memo constituting procurement committee, minutes of procurement committee minutes.

Auditor General’s Position
1.1.7.6 The memo constituting the procurement committee, and few minutes of the committee do not materially justify the requirement and functions under section 27 of the PPC Act of 2010. The Management should ensure that the Procurement Committee is fully functional. Therefore, Management is in breach of Section 27 of the PPC Act of 2005 as amended and restated 2010.

1.1.8 Storeroom Records

Observation
1.1.8.1 Regulation A.3 (1) of the PFM Act of 2009 requires that “any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor- General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

1.1.8.2 It was observed during the audit, that there was no evidence that Management maintained records on supplies received in its store room before subsequently being distributed.

Risk
1.1.8.3 In the absence of basic store records, it would be challenging to track receipts and consumption of supplies.

Recommendation
1.1.8.4 The FIU Management should institute a proper system to account for its supplies.

Management’s Response
1.1.8.5 Management did not respond to this observation.
Auditor General’s Position

1.1.8.6 In the absence of Management’s respond, we maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.9 Fixed Assets Register

Observation

1.1.9.1 Regulation V.4 (1-5) of the PFM Law of 2009 state (1) Furniture, and equipment issued for Government quarters or offices or vehicle and other fixed assets shall be brought on a master inventory of the Government Agency.

1.1.9.2 (2) The master inventory shall record under each category of item: (a) the date and other details of the voucher or other document on which the items were received or issued; (b) their serial numbers where appropriate; and (c) their distribution to individual locations and the total quantity held.

1.1.9.3 (3) In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location.

1.1.9.4 (4) The dates and other details of all receipts and issue of items to or from the location shall be recorded on both copies of the inventory as they occur.

1.1.9.5 (5) The initial entries and all other entries made later on both copies of the inventory shall be validated by the signature of the officer having the use of the items, or where there is more than one officer, the most senior of them”.

1.1.9.6 During the conduct of the audit, it was observed that the fixed Assets Registry (FAR) did not include the type of assets, serial number if applicable, location, assignee, cost and code.

1.1.9.7 We also observe during the physical verification exercise, that all of the assets in use were not recorded on the FAR while other fixed assets on the FAR were actually not operational. See table #3 below for details:

<table>
<thead>
<tr>
<th>Assets not recorded on the FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Officer</td>
</tr>
<tr>
<td>Administrative Assistant</td>
</tr>
<tr>
<td>Management Letter On the</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Audit of the Financial Intelligence Unit Financial Statements</td>
</tr>
<tr>
<td>For the Fiscal Period Ended June 30, 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Affair</th>
<th>One printer, two visitors chairs, one big and one small.</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Office</td>
<td>One HP desktop, two executive chairs, one aftron conditioner, two desk and one visitor chair</td>
<td>Good</td>
</tr>
<tr>
<td>Executive Assistant</td>
<td>Two cabinets, one big desk, one small desk, one executive chair and one wooden chair.</td>
<td>Good</td>
</tr>
<tr>
<td>Research Analyst</td>
<td>One desk, one visitor chair, one executive chair and one cabinet</td>
<td>Good</td>
</tr>
<tr>
<td>Conference Room</td>
<td>One big desk, five executive chairs and one router</td>
<td>Good</td>
</tr>
<tr>
<td>Director General</td>
<td>Four wooden chairs, one executive desk, one HP laptop, one color printer and one small desk</td>
<td>Good</td>
</tr>
<tr>
<td>IT Officer</td>
<td>One land phone, one backup, one desk, one chair and one small dell laptop</td>
<td>Good</td>
</tr>
<tr>
<td>IT Analyst</td>
<td>One land phone, four land phones (under repair), one switch, two router, one aftron air conditioner, one executive chair and one desk</td>
<td>Good</td>
</tr>
<tr>
<td>Procurement Office</td>
<td>One shredder, one desk, one executive chair, two visitor chairs, one cabinet and one land phone</td>
<td>Good</td>
</tr>
<tr>
<td>Maintenance Office</td>
<td>One fan(not in used), one desk, two chairs, one cabinet, three chairs and one land phone</td>
<td>Fan, not in used, the rest are good.</td>
</tr>
<tr>
<td>Hallway</td>
<td>50 white plastic chairs</td>
<td>Good</td>
</tr>
<tr>
<td>Compliance Officer</td>
<td>One desk, one land phone and one executive chair</td>
<td>Good</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>One dell laptop, one executive chair, two wooden chairs, one land phone, two desk, one new and one old</td>
<td>Good</td>
</tr>
<tr>
<td>Analysis Officer</td>
<td>One cabinet, one executive chair, one visitor chair, one land phone and one desk</td>
<td>Good</td>
</tr>
<tr>
<td>Intelligence Analysis</td>
<td>Four desks, three big and one small, three executive chairs, one shredder, one UPS(APC), one big photocopier double (Canon)</td>
<td>Good</td>
</tr>
<tr>
<td>Receptionist</td>
<td>One cabinet, one desk, one executive chair, three visitors(iron) and one land phone</td>
<td>Good</td>
</tr>
<tr>
<td>Generator Room</td>
<td>Generac(gasoline)</td>
<td>Damage</td>
</tr>
</tbody>
</table>

Promoting Accountability of Public Resources
**Table # 4 Vehicle not recorded on the FAR**

<table>
<thead>
<tr>
<th>No:</th>
<th>Description</th>
<th>Plate #</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Renault Koloes</td>
<td>GSA-FIU 2-5 (3640)</td>
<td>In use</td>
</tr>
<tr>
<td>2</td>
<td>Renault Duster</td>
<td>GSA- FIU-02-4 (3639)</td>
<td>In use</td>
</tr>
<tr>
<td>3</td>
<td>Toyota Highlander</td>
<td>GSA- FIU 02-3 (3638)</td>
<td>Faulty</td>
</tr>
<tr>
<td>4</td>
<td>Ford Explorer</td>
<td>(3636)GSA-FIU-02-1</td>
<td>With GSA</td>
</tr>
<tr>
<td>5</td>
<td>Ford Escape</td>
<td>(3637)GSA-FIU-02-2</td>
<td>With GSA</td>
</tr>
</tbody>
</table>

**Risk**

1.1.9.8 In the absence of a complete fixed Assets Registry, the completeness of the FAR cannot be assured; fixed assets could be diverted to personal use.

**Recommendation**

1.1.9.9 The FIU Management should provide justification for not maintaining a proper FAR. The absence of a fixed assets register with relevant details impedes the tracking of acquisition and disposition.

1.1.9.10 The Management of FIUs should ensure that the appropriate authority within prepares a fixed asset register that is in line with best practice.

**Management’s Response**

*Partially Agree*

1.1.9.11 Management wishes to state that there was an active Far as indicated in the draft report, however, the following items were not procured during the auditable period (FY-2014/2015) as indicated below:

1. Renault Koles - was not procured in FY- 2014/2015, rather it was procured FY- 2016, 2017 and received in July 2017.
2. Renault Duster - was not procured in FY- 2014/ 2015, rather it was procured FY- 2016/2017 and was received in August 2017.
3. Toyota Highlander - was not received in FY-2014/2015 but rather, in September, 2016. It was donated by GSA through LTA.
4. Ford Escape - was not procured in FY- 2014/2015, rather it was procured FY- 2015/2016 and received in July, 2017.
5. Ford explorer - was procured in FY- 2014 2015 and received Feb 2015.

**Auditor General’s Position**

1.1.9.12 The “Fixed Assets Register” provided in response to the Management Letter did not include pertinent information such as the date of purchase costs and serial number. The FAR is incomplete. The assets were recorded by the GAC during the physical verification exercise. There was no document that indicated the date of purchase. Therefore we could not determine when they were purchased. Management should develop a FAR that contains all the basic information and update the FAR whenever a new asset is purchased or an asset is dispose of.
1.1.10 Fuel Maintenance Log

Observation

1.1.10.1 Regulation A.3.(1) (2) of the PFM Act of 2009 states “Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20”.

1.1.10.2 It was observed during the conduct of the audit that the Management of FIU expended and utilized the amount of US$ 13,000 (Thirteen thousand United State Dollars) for fuel and Lubricant without a complete Fuel distribution log for the Period. For example, the distribution log did not show the amount of fuel that was bought and utilized per day, week or month. Additionally there were no evidence.

Risk

1.1.10.3 Fuel and Lubricant could be mismanaged in the absence of a complete distribution log.

Recommendation

1.1.10.4 The Management should provide justification for not maintaining an adequate fuel distribution log for the period.

Management’s Response

Disagreed

1.1.10.5 Management wishes to state that fuel distribution was implemented through thumb-card to designate staff for operational purpose (please see attached thumb-card Direct Credit).

Agreed

1.1.10.6 Management acknowledge the audit finding and notes however that there were inherent challenges associated with the inception of administrative structure of the FIU. Nonetheless, contracts were executed in subsequent years and fuel distribution vouchers have been developed.

Auditor’s General’s Position

1.1.10.7 A thumb card credit is not a fuel distribution log as claimed by Management. The fuel distribution schedule submitted in response to the Management Letter was signed by the Procurement Officer on behalf of the purported recipients. A fuel distribution log should be signed by the recipients and the date the recipients signed. Therefore, Management should endure that it maintains a well-organized fuel distribution log.
1.1.11 **Non-Maintenance of Vehicle Log**

**Observation**

1.1.11.1 Regulation U.10 of the PFM Act of 2009 states that (1) A head of Government Agency is accountable for the government inventories from the time of acquisition or assignment from the General Services Agency to the time they are of no further use or value to government. (2) Accountability is discharged when government inventories have been (a) consumed in the course of public business and records are available to show that the government inventories have been consumed; (b) worn out in the normal course of public business and deletion from the accounts has been approved by the General Services Agency and they have been disposed of in accordance with Sections 123 and 124 of the of the Public Procurement and Concessions Commission Act 2005;

1.1.11.2 Also Regulation U.6 states that each Government Agency shall maintain adequate records of inventories assigned to it.

1.1.11.3 However, during the conduct of the audit, the FIU did not maintain a vehicle log in order to record fuel consumption, and the authorization of vehicle movement.

1.1.11.4 General stores control procedures require that vehicle logs are maintained to track and control the movement of the entity movable assets, including vehicles in order to minimize misuse and save cost.

1.1.11.5 However, the FIU did not maintain a vehicle log in order to record fuel consumption, and the authorization of vehicle movement.

**Risk**

1.1.11.6 Without such controls over the movement and fueling of the vehicles, said vehicles could be used for personal benefit at the expense of the FIU.

**Recommendation**

1.1.11.7 Management instituted vehicles Log for all vehicles owned by the FIU, including vehicles held by every senior Staff of the entity.

**Management’s Response**

1.1.11.8 *Management did not respond to this observation.*

**Auditor General’s Position**

1.1.11.9 In the absence of Management's respond, we maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.
1.1.12 Internal Audit Unit

Observation

1.1.12.1 Regulation J.3 (1-2), of the (PFM) 1) Acts of 2009 state that “There shall be established in each government agency or government organization an internal audit unit which shall constitute a part of that institution. (2) The Internal Audit unit shall be headed by a Director. (3) The Internal Audit Governance Board shall in consultation with the Civil Service Agency appoint for each internal audit unit a Director and other personnel required to ensure an effective and efficient internal auditing of the institution concerned. (4) Requires each government agency or organization to establish an Internal Audit Unit to constitute a part of the institution”.

1.1.12.2 As per modern practice, internal audit should be vested with the responsibility to assess and review the internal control system, quality control procedures and risk management procedures in an organization. It should help the institution to identify and evaluate significant exposure to risk and improve the risk management and control systems.

1.1.12.3 Our assessment of FIU’s Internal Audit revealed that the entity has not established an internal audit department/unit.

Risk

1.1.12.4 In the absence of an effective Internal Audit function, Management, and those charged with governance may not be adequately informed on the weaknesses of the internal control system; and promptly recommend improvement to mitigate said weaknesses.

Recommendation

1.1.12.5 The Board and the FIU’s management should ensure the establishment of a functional Internal Audit Unit (IAU) in compliance with the PFM regulations.

Management’s Response

1.1.12.6 Management did not respond to this observation.

Auditor General’s Position

1.1.12.7 In the absence of Management’s respond, therefore, maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.13 Audit Committee

Observation

1.1.13.1 Regulation K.10 of the PFM Act of 2009 States the “the Head of government agency or government organization shall in consultation with the Internal Audit Governance Board establish and maintain an audit committee for the government agency or organization for which he/she is responsible. The purpose of the audit committee is to review internal
controls, including the scope of internal audit, internal audit plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken. The audit committee is responsible for resolution of any disagreements between Management, Internal Auditors and the Auditor General regarding internal controls and financial reporting”.

1.1.13.2 During the audit, it was observed that the FIU Management did not establish an Audit Committee.

**Risk**

1.1.13.3 The failure of FIU Management to establish and maintain an audit committee could lead to lack of oversight of the internal audit activities.

**Recommendation**

1.1.13.4 The FIU Management should establish an audit committee as required by the PFM Act in order to provide the required oversight on internal and external audit activities.

**Management’s Response**

1.1.13.5 *Management did not respond to this observation.*

**Auditor General’s Position**

1.1.13.6 In the absence of Management's respond, we maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.1.14 **Database and Profile of Suppliers, Consultants and Contractor**

**Observation**

1.1.14.1 Section 29 (5 j to K) of the PPC Act of 2005 as amended and restated in 2010 requires the procurement unit to maintain a database of all supplies, contractors and consultants as well as the maintenance of a profile of the past performance of suppliers, contractors and consultants with respect to their performance of contracts awarded under the PPC Act.

1.1.14.2 There was no database on suppliers, consultants as well as the maintenance of a profile of the past performance of suppliers, contractors and consultants was done by the Management of FIU as stipulated in the PPC Act of 2005 as amended and restated in 2010.

**Risk**

1.1.14.3 In the absence of a complete database for suppliers, contractors and consultants as well as profiles for past performance could lead to awarding contract to non-performing supplier, contractor or consultant thus undermining the achievement of value for money which is the major objective of public procurement.
Recommendation
1.1.14.4 We therefore recommend that going forward the Management of FIU ensures that the Procurement Unit maintains a complete database for all its suppliers, contractors and consultants. The Management should also ensure that profiles of past performance of suppliers, contractors and consultants are maintained to assist management in its future procurement decision.

Management’s Response
1.1.14.5 Management did not respond to this observation.

Auditor General’s Position
1.1.14.6 In the absence of Management's respond, we maintain our recommendation. Further, Management is in breach of Section 29 (5 j to K) of the PPC Act of 2005 as amended and restated in 2010.

1.1.15 Storeroom Records

Observation
1.1.15.1 Regulation A.3 (1) of the PFM Act of 2009 requires that “any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor- General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

1.1.15.2 It was observed during the audit, that there was no evidence that Management maintained records on supplies received in its store room before subsequently being distributed.

Risk
1.1.15.3 In the absence of basic store records, it would be challenging to track receipts and consumption of supplies.

Recommendation
1.1.15.4 The FIU Management should institute a proper system to account for its supplies.

Management’s Response
1.1.15.5 Management did not respond to this observation

Auditor General’s Position
1.1.15.6 In the absence of a respond by Management, we maintain our recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.
1.1.16 Internal Control Related Issues
1.1.16.1 In terms of best practice, the Committee on Sponsoring Organizations of the Treadway Commission’s (COSO) integrated framework for internal control is an effective internal control system which consist of five elements including, the control environment, risk assessment, information and communication, control activities and monitoring.

1.1.16.2 Internal Control is designed to provide reasonable assurance that the entity’s general objectives are being achieved.

1.1.16.3 Our review of FIU internal control system identified the following weaknesses:

Management’s Response
1.1.16.4 Management did not respond to this observation.

Auditor General’s Position
1.1.16.5 In the absence of Management's respond, we maintain our recommendation.

1.1.17 Risk Assessment

Observation
1.1.17.1 Risk Assessment involves the identification; analysis and evaluation of risks by management which enables management to cost effectively manage and mitigate risks or threats to the achievement of the entity’s goals and objectives. The above should be supported by a risk Management Policy.

1.1.17.2 Operational risks arise in the normal course of operations, while fraud risks arise from intentional misdeeds committed to gain personal benefit. The responsibility for identifying risks and developing plans to manage risks belongs to the entity’s management.

1.1.17.3 Our assessment of FIU risk assessment process revealed that the entity does not have a risk assessment process in place for identifying, analyzing and evaluating organizational risks.

Risk
1.1.17.4 The absence of a risk assessment process could impede management’s ability to detect and prevent risks associated with material misstatement at the account and financial statements levels. The lack of the risk assessment process could prevent management from identifying and taking appropriate steps to improve operational efficiency.

Recommendation
1.1.17.5 The Board should ensure that FIU management establish a risk management policy and perform periodic risk assessment to enable the entity identify risks and design appropriate responses to address those risks.
Management’s Response
1.1.17.6 Management did not respond to this observation.

Auditor General’s Position
1.1.17.7 In the absence of Management’s respond, we maintain our recommendation.

1.1.18 Monitoring

Observation
1.1.18.1 An internal control system must be under continuing supervision by management to determine that it is functioning as prescribed and modified, as appropriate, for changes in conditions. Monitoring internal controls ensures controls are operating as intended and that they are modified appropriately for changes in condition. This is accomplished through on-going monitoring activities, separate evaluations or a combination of both, in order to ensure that internal control continues to be applied at all levels and across the entity, and that internal control achieves the desired results.

1.1.18.2 During our examination, we did not see evidence that FIU had established procedures to monitor the operating effectiveness of internal controls on a regular basis. Additionally, we observed that the Bank Reconciliation was signed and approved by the DG/CEO. Moreover, some requests was not signed by the FC and the DG.

Risk
1.1.18.3 Failure to effectively evaluate the internal control system could impede management’s ability to identify deficiencies within its operations, thereby affecting the reliability of financial and non-financial information.

Recommendation
1.1.18.4 The Board should ensure that management establishes an Internal Audit function to assist in the monitoring of the organization’s internal control system. The Board must also ensure that management establishes procedures to monitor the effectiveness of the internal control on a regular basis. Internal control deficiencies detected through these monitoring activities should be reported and corrective actions should be taken to ensure continuous improvement of the system.

Management’s Response
1.1.18.5 Management did not respond to this observation.

Auditor General’s Position
1.1.18.6 In the absence of Management’s respond, we maintain our recommendation.
Annexure 1 Table #1 Payments to Third Party

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Description</th>
<th>Company</th>
<th>Third Party</th>
<th>Account Code</th>
<th>PV#</th>
<th>Check No</th>
<th>Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10/7/15</td>
<td>Payment representing the Cost of Security Guide Service for two (2) months</td>
<td>Regional Guard Service Agency</td>
<td>Archie A. Mends-Cole</td>
<td>222113</td>
<td>00269</td>
<td>000000106</td>
<td>1,600.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,600@90 (144,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>10/16/15</td>
<td>Payment representing the cost of additional cost of air ticket in favor of</td>
<td>Leno International Travel Agency</td>
<td>Jackie G. Koffa</td>
<td>221101</td>
<td>00275</td>
<td>00000110</td>
<td>153.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the FIU Director 153 @89 (13,680).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>10/12/15</td>
<td>Payment representing the Cost of Foreign travel – means air ticket to Paris</td>
<td>Leno International Travel Agency</td>
<td>Jackie G. Koffa</td>
<td>221101</td>
<td>00273</td>
<td>00000108</td>
<td>2,659.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>France to participate in a FATF Plenary 2,659 @89 (236,700)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>11/1/150</td>
<td>Payment representing the cost of Office, renovation, Curtain Installation</td>
<td>ALRAN Interior Designs</td>
<td>Lawrence Sombai</td>
<td>232221</td>
<td>00288</td>
<td>00000113</td>
<td>2,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&amp; Designs 2000@88 (176,000).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Management Letter On the
Audit of the Financial Intelligence Unit Financial Statements
For the Fiscal Period Ended June 30, 2016

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Description</th>
<th>Company</th>
<th>Third Party</th>
<th>Account Code</th>
<th>PV#</th>
<th>Check No</th>
<th>Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>11/10/15</td>
<td>Payment representing the partial Payment (50%) for Office Renovation- wooden Partitioning and Designs 2,500@ 88 (110,000)</td>
<td>ERAK Tailoring Investment &amp; General Merchandise Corporation</td>
<td>Emmanuel Yaya</td>
<td>221501</td>
<td>00289</td>
<td>00000114</td>
<td>1,250.00</td>
</tr>
<tr>
<td>6.</td>
<td>11/10/15</td>
<td>Payment representing the cost of Partial Payment of office renovation welding of Iron Gate and window 1,365@ 88</td>
<td>EARTHCO WELDING SHOP</td>
<td>Ben Gayflor James</td>
<td>221501</td>
<td>00290</td>
<td>00000115</td>
<td>1,365.00</td>
</tr>
<tr>
<td>7.</td>
<td>12/15/15</td>
<td>Payment representing the cost of final payment for office 1,308.6@ 87</td>
<td>EARTHCO WELDING SHOP</td>
<td>Ben Gayflor James</td>
<td>221501</td>
<td>00297</td>
<td>00000120</td>
<td>1380.6</td>
</tr>
<tr>
<td>8.</td>
<td>12/15/15</td>
<td>Payment representing the cost of final payment for office renovation- curtains installation 176,000 @87</td>
<td>ALRAN</td>
<td>Lawrence Sombai</td>
<td>232221</td>
<td>00297</td>
<td>00000122</td>
<td>2022.9</td>
</tr>
<tr>
<td>9.</td>
<td>12/15/15</td>
<td>Payment representing the cost of final payment for office renovation wooden</td>
<td>ERAK</td>
<td>Emmanuel Yaya</td>
<td>221501</td>
<td>00299</td>
<td>00000121</td>
<td>1,264.3</td>
</tr>
</tbody>
</table>
Management Letter On the
Audit of the Financial Intelligence Unit Financial Statements
For the Fiscal Period Ended June 30, 2016

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Description</th>
<th>Company</th>
<th>Third Party</th>
<th>Account Code</th>
<th>PV#</th>
<th>Check No</th>
<th>Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2/8/16</td>
<td>Payment representing the cost of Guard &amp; Security Services for the Month of January 2016</td>
<td>REGSA</td>
<td>Archie A. Mend-Cole</td>
<td>222113</td>
<td>00320</td>
<td>00000206</td>
<td>800.00</td>
</tr>
<tr>
<td>11.</td>
<td>3/4/16</td>
<td>Payment representing the cost of Guard &amp; Security Service for the month of March 2016 72,000 @89</td>
<td>REGSA</td>
<td>Archie A. Mendscole</td>
<td>222113</td>
<td>00336</td>
<td>00000144</td>
<td>808.9</td>
</tr>
<tr>
<td>12.</td>
<td>3/31/16</td>
<td>Payment Representing the Cost of Guard &amp; Security Services for the Month of March, 2016 72,000 @89</td>
<td>REGSA</td>
<td>Archie A. Mendscole</td>
<td>222113</td>
<td>00344</td>
<td>00000149</td>
<td>808.00</td>
</tr>
</tbody>
</table>

Total 16,110.7

Annexure 2 Table #2 Inadequate Supporting Documentation

<table>
<thead>
<tr>
<th>N#</th>
<th>Date</th>
<th>Voucher #</th>
<th>Description</th>
<th>Account code</th>
<th>Payee</th>
<th>Amount LS</th>
<th>Amount in US$</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>12/15/15</td>
<td>PV# : 00297</td>
<td>Payment representing the cost of final 50% payment for office renovation- welding of Iron doors and bars.</td>
<td>221501</td>
<td>EARTHCO</td>
<td></td>
<td>120,120.00</td>
<td>No Tax Clarence request not signed</td>
</tr>
<tr>
<td>2.</td>
<td>12/15/15</td>
<td>PV# :</td>
<td>Payment</td>
<td>232221</td>
<td>ALRAN</td>
<td>176,000.00</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
Annexure 2 Table #2 Inadequate Supporting Documentation

<table>
<thead>
<tr>
<th>N#</th>
<th>Date</th>
<th>Voucher #</th>
<th>Description</th>
<th>Account code</th>
<th>Payee</th>
<th>Amount LS</th>
<th>Amount in US$</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td></td>
<td>00298</td>
<td>representing the cost of final 50% payment for office renovation- curtain installation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>12/15/15</td>
<td>PV#: 00299</td>
<td>Payment representing the cost of final 50% payment for office renovation wooden partitioning.</td>
<td>232221</td>
<td>ERAK</td>
<td>110,000</td>
<td></td>
<td>receipt, No tax clearance Not business registration, No Contract</td>
</tr>
<tr>
<td>4</td>
<td>12/15/15</td>
<td>PV#: 00303</td>
<td>Payment representing the cost of fuel &amp; Lubricant-Generator</td>
<td>221401</td>
<td>Total Liberia Inc</td>
<td>32,400.00</td>
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</tr>
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<td>5</td>
<td>12/17/15</td>
<td>PV#:00305</td>
<td>Payment representing the cost of operational Fund</td>
<td>N/A</td>
<td>Oretha M. Sendolo</td>
<td>392,667.08</td>
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<td>No Business Registration No Tax Clearance</td>
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<td>6</td>
<td>11/17/15</td>
<td>PV#:00291</td>
<td>Payment representing the cost of 10% deductible vehicle damage claims.</td>
<td>221502</td>
<td>Activa International Insurance</td>
<td>2,000.00</td>
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<td>Request not Signed</td>
</tr>
<tr>
<td>7</td>
<td>11/9/15</td>
<td>PV#:00283</td>
<td>Payment representing the cost of Guard &amp; Security</td>
<td>222113</td>
<td>REGSA</td>
<td>800.00</td>
<td></td>
<td>No Tax Clearance, No Business Registration</td>
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</table>
### Annexure 2 Table #2 Inadequate Supporting Documentation

<table>
<thead>
<tr>
<th>N#</th>
<th>Date</th>
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<tbody>
<tr>
<td>8</td>
<td>11/9/15</td>
<td>PV#:00284</td>
<td>Services for the Month of October 2015</td>
<td>221401</td>
<td>Total Liberia</td>
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<td>1,024.00</td>
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<td>9</td>
<td>10/30/15</td>
<td>PV#:00281</td>
<td>Payment representing the cost of fuel &amp; Lubricants for the month of October 2015</td>
<td>221201</td>
<td>Oretha M. Sendolo</td>
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<td>300.00</td>
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<tr>
<td>10</td>
<td>10/20/15</td>
<td>PV#:00276</td>
<td>Payment representing the cost of air tickets change of dates for FIU Director</td>
<td>221101</td>
<td>LENO International (Jackie G. Koffa)</td>
<td></td>
<td>425.00</td>
<td>No Tax Clearance, No Business Registration, No request for Payment</td>
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<td>11</td>
<td>10/12/15</td>
<td>PV#:00273</td>
<td>Payment representing the cost of foreign travel by mean, Air ticket to Aris France to participate in a FATF Plenary</td>
<td>221101</td>
<td>Jackie G. Koffa</td>
<td>236,700.00</td>
<td></td>
<td>No Three Quotation</td>
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<td>12</td>
<td>10/7/15</td>
<td>PV#:00269</td>
<td>Payment representing the cost of</td>
<td>111113</td>
<td>REGSA</td>
<td>144,000</td>
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<td>No Contract, No</td>
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<tr>
<td></td>
<td>9/17/15</td>
<td>PV#: 00262</td>
<td>Payment representing the cost of Operational Fund, two months</td>
<td>N/A</td>
<td>Oretha M. Sendolo</td>
<td>273,725.00</td>
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<td>PV#: 002 63</td>
<td>Payment representing the cost of Operational Fund, two months</td>
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<td>Oretha M. Sendolo</td>
<td>1,480.00</td>
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<td>8/10/15</td>
<td>PV#: 002 55</td>
<td>Payment representing the cost of Operational Fund, two months</td>
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<td>PV#: 00194</td>
<td>Payment representing the cost of stationery</td>
<td>221602</td>
<td>Office Ideas</td>
<td>95,580.00</td>
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<td>01/14/16</td>
<td>PV#: 003 12</td>
<td>Payment representing the cost of fuel &amp; Lube-Vehicles &amp; Generator.</td>
<td>221402</td>
<td>Total Loberia Inc</td>
<td>2,048.00</td>
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<td>PV#: 309</td>
<td>Payment representing the cost of internet</td>
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<td>NOVAFONE</td>
<td>90,000</td>
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<tr>
<td></td>
<td>1/11/16</td>
<td>PV#: 031</td>
<td>Payment representing the cost of Air ticket for the FIU Director &amp; CAM from an exchange visit in trainda and Tobacco</td>
<td>221101</td>
<td>Alexander W. Daniels</td>
<td></td>
<td>1,308.00</td>
<td>Tax Clearance</td>
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<td>PV#: 00320</td>
<td>Payment representing the cost of Guard &amp; Security services for the month of January 2016</td>
<td>222113</td>
<td>REGSA</td>
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<td></td>
<td>3/31/16</td>
<td>PV#: 00344</td>
<td>Payment representing the Cost of Guard &amp; Security Services for the Month of March</td>
<td>222113</td>
<td>Archie A. Mends Cole</td>
<td></td>
<td>72,000</td>
<td>No Business Registrati on and No Contract</td>
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<td>PV#: 00343</td>
<td>Payment representing the cost of fuel and Lubricant.</td>
<td>221401</td>
<td>Total Liberia INC</td>
<td></td>
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<td>3/31/16</td>
<td>PV#: 00341</td>
<td>Payment representing the cost of Car rental services for the Director/Ceo</td>
<td>221104</td>
<td>Rent A. Car Internatio nal</td>
<td></td>
<td>36,000</td>
<td>No Tax Clearance, No Business Registrati on and request</td>
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<tr>
<td>N#</td>
<td>Date</td>
<td>Voucher #</td>
<td>Description</td>
<td>Account code</td>
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<td>Amount LS</td>
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<td>PV#:00342</td>
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<td>Archie A. Mends-Cloe</td>
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<td>3/1/16</td>
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<td>0010012053000209 Payment representing the cost of internet Subscription for the month of March 2016</td>
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<td>PV#:00335</td>
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<td>NOVAFO NE</td>
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<td>Total Liberia INC</td>
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<td>148,000</td>
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<tr>
<td></td>
<td>3/1/16</td>
<td>PV#: 00334</td>
<td>Payment representing the cost of Phone scratch Cards</td>
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<td>5/25/16</td>
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<td>Payment representing the cost of Guard &amp; Security Service for the month of April &amp; May 2016</td>
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<td>REGSA</td>
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<td>PV#: 00366</td>
<td>Payment representing the cost of Guard &amp; Security</td>
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<td>Payment representing the cost of Internet Subscription for the period May 1- July 13 2016</td>
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<td>NOVAFO NE</td>
<td>130,200.00</td>
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</tbody>
</table>
Management Letter On the Audit of the Financial Intelligence Unit Financial Statements For the Fiscal Period Ended June 30, 2016

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<tbody>
<tr>
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Total 1,790,622.8 15,265.00