



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Operations and financial transactions
of the Liberia Opportunities Industrialization
Center (LOIC)**

For the Fiscal Year ended June 30, 2015

January 2021

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

TABLE OF CONTENTS

1	DETAILED FINDING AND RECOMMENDATIONS	11
1.1	Financial Issues.....	11
1.1.1	LOIC Global Bank LD Account # 103020004488 Debited in Favour of NDS and MOH.....	11
1.1.2	Un-supported Expenditures.....	13
1.1.3	Non-Competitive Procurement of Goods and services.....	14
1.1.4	Withholding Tax.....	16
1.1.5	Irregular Disbursement of Funds	17
1.1.6	Third Party Payments.....	19
1.1.7	Unapproved Payment Voucher	20
1.1.8	Un-Supported Payments for Radio Coverage.....	21
1.2	Governance Issues	22
1.2.1	Legal Title of LOIC Undefined (Legislative Act vs. Articles of Incorporation).....	22
1.2.2	Unapproved Board Constitution and By-Laws.....	23
1.2.3	Lands and other Properties not included on Fixed Asset Register.....	24
1.2.4	Operating without Financial Manual	26
1.2.5	Budget Committee.....	26
1.2.6	Audit Committee	27
1.2.7	No Evidence of Risk Assessment.....	28
1.2.8	Disaster Recovery Plan	28
	ACKNOWLEDGEMENT.....	30
	EXHIBITS	31

Acronyms Used

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
BfW	Bread for the World
CGMA	Chartered Global Management Accountant
CPA	Certified Public Accountant
EED	Evangelisches Werk Fur Diakonic Und Entwicklung e.v.
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
IPSASs	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
L\$	Liberian Dollars
LOIC	Liberia Opportunities Industrialization Center
M&E	Monitoring and Evaluation
MFDP	Ministry of Finance & Development Planning
ML	Management Letter
MYS	Ministry of Youth and Sports
N/S	Not Stated
OICI	Opportunities Industrialization Center International
PFM	Act Public Financial Management Act
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
RL	Republic of Liberia
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
US\$	United States Dollar

Republic of Liberia



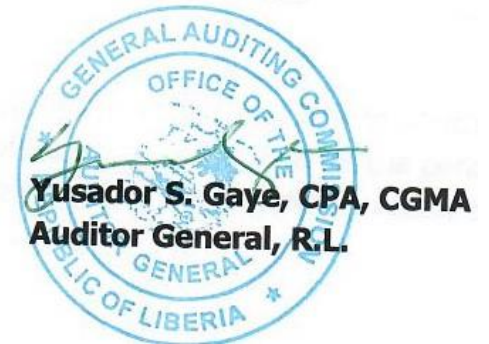
The Honorable Speaker of the House of Representatives, and the President Pro-Tempore of the House of Senate:

We have undertaken the Compliance audit on the Operations and financial transactions of the Liberia Opportunities Industrialization Center (LOIC) for the Fiscal Year 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 Liberia Opportunities Industrialization Center (LOIC). Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report. We encourage you to pay particular attention to the following:

- The Entity was given an Adverse Opinion - An adverse opinion is the type of modified audit opinion that expresses that all-sufficient and appropriate audit evidence were received and Auditor concluded that there are material misstatements found. The Auditor also draws the conclusion that those material misstatements are pervasive to all financial statements. The misstatements are pervasive when that misstatement materially affects other items or transactions in financial statements/or transactions and lead to users who use the financial statements to make an incorrect decision.
- The Liberian Opportunities Industrialization Center was created by an Act of Legislature on July 6, 1976 and printed in to handbill on January 12, 1979; and, on January 3 2007 without repealing the Act, the late Rev. Dr. Water D. Richards incorporated the entity as an Non-Profit Organization. The status of the entity needs be clarified.
- The amounts of L\$1,448,352.66 and L\$1,152,359.92 were paid to NDS and MOH respectively as salary payments for the months of December 2014 and February 2015 for personnel services from the LOIC.
- A payment of US\$45,007.00 was made to BMC for renovation without adequate supporting documents.

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

January 2021

Compliance Audit Report on the Operations and financial transactions of the Liberia Opportunities Industrialization Center (LOIC) for the fiscal year ended June 30, 2015.

We have audited the operations and financial transactions of the Liberia Opportunities Industrialization Center (LOIC), in compliance with relevant laws and regulations for the period ended June 30, 2015 consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Basis for Adverse Conclusion

We identified multiple issues of significant materiality that affect the operations of the Liberia Opportunities Industrialization Center (LOIC). These issues can be categorized as follows:

The amounts of L\$1,448,352.66 and L\$1,152,359.92 were paid to NDS and MOH respectively as salary payments for the months of December 2014 and February 2015 for personnel services from the LOIC. There was no evidence that "NDS" and "MOH" performed any personnel related service for the LOIC during the fiscal period under audit.

A payment of US\$45,007.00 was made to BMC for renovation without adequate supporting documents.

The amount of US\$203,962.40 was expended for training materials and purchase of vehicles without any evidence that the required procurement method was applied.

Withholding taxes totaling US\$7,677.70 was not deducted and remitted to GoL consolidated revenue account for goods purchased from vendors.

LOIC employees' salaries in the amounts of US\$5,450.00 and US\$3,176.00 respectively were paid to two staffers without any evidence of written authorization from the employees to receive their salaries.

Adverse Conclusion

Based on the audit work performed, we found that, because of the significance of the matters noted in the Basis for Adverse Conclusion Paragraphs above, the operations and financial transactions of the Liberia Opportunities Industrialization Center (LOIC) are not in compliance with stated laws and regulations for the Fiscal Year ended June 30, 2015.

Management's Responsibility

Management is responsible for the preparation of financial records in accordance with the terms of local agreement and stated laws and regulations.

The Management of the Liberia Opportunities Industrialization Center (LOIC) is also responsible for the preparation and presentation of these financial records in compliance with the approved Annual Budget for the fiscal period, the Public Financial Management Act of 2009, the Public Procurement and Concessions Act of 2005 as amended and Restated in 2010 and all their accompanying

Regulations, the Revenue Code of Liberia Act of 2000 as amended in 2011, the International Public Sector Accounting Standards (IPSAS); and the Opportunities Industrialization Center Act of 1976 and the LOIC policies and procedures.

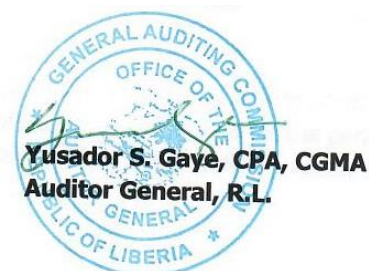
This audit was conducted on the basis or understanding that the LOIC Management has the responsibility to establish and maintain internal controls necessary to:

- Enable it undertake its contracts award, goods delivery, projects execution, evaluation and reporting in an effective and efficient manner as well as the preparation of documentation on the procurement that are free from material misstatements whether due to fraud or error and in compliance with authorities that govern them;
- Provide reasonable assurance that adopted policies and prescribed procedures are adhered to and errors and irregularities, including fraud and illegal acts are prevented or detected; and to provide us with access to the following;
- All information of which the LOIC Management is aware of that is relevant to its contracts award, goods delivery, projects execution, evaluation and reporting as well as their related documentation;
- Any additional information that we may request from Management for the purposes of the review; and unrestricted access to persons within the LOIC Management from whom we determine it necessary to obtain review evidence.

Auditor's Responsibility

Our responsibility is to independently express a conclusion on the financial records of the Liberia Opportunities Industrialization Center (LOIC) based on our audit. Our audit was conducted in accordance with the International Standard of Supreme Audit Institutions (ISSAIs) 4000, Fundamental Auditing Principles (FAP) and Guidelines for Compliance Audit (GCA). Those principles require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance as to whether the operations and the use of funds by the LOIC Management are in compliance, in all material respects, with stated laws and regulations for the Fiscal Year ended June 30, 2015.

An audit involves performing procedures to obtain sufficient appropriate evidence to support our conclusion. The procedures performed depend on the auditor's professional judgment, including assessing the risk of material non-compliance, whether due to fraud or error. The audit procedures performed are those we believe are appropriate in the circumstances. We believe that the audit evidence gathered is sufficient and appropriate to provide the basis for our conclusion.



Monrovia, Liberia

January 2021

BACKGROUND

Background of the Liberia Opportunities Industrialization Center (LOIC) Audit

The audit of the Liberia Opportunities Industrialization Center (LOIC) was commissioned for the Fiscal Year July 1, 2014 to June 30, 2015 consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

The Liberia Opportunities Industrialization Center (LOIC) was created by an Act of the Liberia National Legislature of 1976 and published in 1979. This was followed by a Memorandum of Agreement and Memorandum of Understanding between the Governments of the Republic of Liberia, then represented by the Ministry of Labour, Youth and Sports, and the Opportunities Industrialization Center International (OICI) represented by its Chairman of the Board of Directors Dr. Leon C. Sullivan.

According to the Memorandum of Understanding between the Government of Liberia (GOL) and the OICI, the two parties agreed that OICI and GOL jointly finance the LOIC. Further, it was mutually understood and agreed that OICI will provide all necessary equipment for the operation of the Center including technical staff for a period of five (5) years beginning 1977 to 1981. The Government also promised and agreed to take over the entire operations of the LOIC at the termination of the five (5) years period.

The GOL took over the LOIC and has been providing budgetary supports to the entity until 2020 when the institution was not included in the Liberia National Budget.

The overall objectives of the institution include:

1. To integrate and co-ordinate its activities with existing man-power training programs in Liberia and
2. Initiate other programs in keeping with the manpower needs of the Liberia.

Management Personnel

The Liberia Opportunities Industrialization (LOIC) has the following personnel who handled the administrative and financial affairs of the institution for the period under audit.

Table: 1 Key Management Personnel of the LOIC

#	Name	Title / Position Held	Period
1.	Mr. Solomon D. King, Sr.	National Executive Director	2010 - 2017
2.	Madam Marie Kolenky	Deputy/ National Executive Director	2012 – Present
3.	Mr. Ellis I. S. Kiazolu, Sr.	Director of Finance	2000 – present
4.	Mr. Samuel K. Baker, Sr.	Deputy Director of Finance	June 2005 – Present
5.	Mr. Daniel C. Gayedyu	Internal Auditor	October 2004 - Present
6.	Mr. Wilson G. Moore	Procurement Officer	1997 – Present
7.	Mr. Preston P. Jackson	Personnel Director	June 2006 – Present
8	J. Clarence Blapoo	Program Officer	May 1976 – Present

The subject matter of the compliance audit:

A Compliance audit on the Operations and financial transactions of the Liberia Opportunities Industrialization for the period ended 30 June 2015.

Audit Scope

The scope of the audit covered the period from July 1, 2014 to June 30, 2015.

Objectives of the Audit

The main objective of the audit is to gather sufficient appropriate audit evidence to conclude whether the operations and financial information of the Liberia Opportunities Industrialization for the period July 1, 2014 to June 30, 2015 are in compliance, in all material respects with policies, procedures, applicable laws, regulations, and are free of material errors.

Audit Criteria

The following criteria were used:

- Regulation A.3 (1) of the PFM Act of 2009
- PART V Section 46 (1 & 3) of the Amended and Restated PPC Act of 2010
- Section 806.e of the Revenue Code of Liberia Act of 2000 as amended in 2011
- Section 905 (a) of the Revenue Code of Liberia Act of 2000 as amended in 2011
- Regulation B.28 of the PFM Act of 2009
- Regulation 13 .2 (2) of the PFM Act of 2009
- Regulation T.10 (2) Counts (1 – 2) of the PFM Act of 2009
- Memorandum of Understanding dated January 7, 1977 between the Government of Liberia and the OICI
- Act to Incorporate the Liberia Opportunities Industrialization Center (LOIC) of 1976
- Regulation V (2-3) of the PFM Act of 2009
- Regulation A.5 (1) of the PFM Act of 2009
- Regulation D.16.1 of the PFM Act of 2009
- Regulation K.10 of PFM Act of 2009
- Committee of Sponsoring Organizations of the Tread way Commission,
- COSO Internal Control Framework on Control Environment,

Audit Methodology

We performed our audit based on review of contract documents, specification, financial records and payment vouchers related to the period under audit, interviewing LOIC staff as well as physical verification of Assets and personnel. The audit criteria were applied to each procurement sample selected. We have documented the findings and given to management for comments.

The audit was conducted in accordance with ISSAI 4000 and INTOSAI's International Standards for Compliance Audit. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the LOIC Management complied with laws and regulations.

Our audit also took cognizance of the requirements under the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014. Our audit approach included observation, inquiries, inspections, confirmation, and analytical procedures on areas we considered as high risk.

Limitation of Responsibility

We reviewed the Operations and financial transactions operated by the Liberia Opportunities Industrialization (LOIC) only to the extent we considered necessary for the effective conduct of this audit. As a result, our review may not have detected all weaknesses that existed or all improvements that could be made.

1 DETAILED FINDING AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 LOIC Global Bank LD Account # 103020004488 Debited in Favour of NDS and MOH

Observation

- 1.1.1.1 Regulation A.3 (1) of the PFM Act of 2009 states 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."
- 1.1.1.2 Regulation C.8 (4) (a) also states that "A head of agency or spending unit shall: manage and reconcile the bank accounts authorized for the Agency by the Minister".
- 1.1.1.3 During the audit, we observed that the amounts of L\$1,448,352.66 and L\$1,152,359.92 were debited in favor of NDS and MOH respectively as salary payment for the months of December 2014 and February 2015. We further observed that there was no evidence that "NDS" and "MOH" performed any personnel related service for the LOIC during the fiscal period under audit. **See tables 1 & 2 below for details.**

Table 1: Amount debited from LOIC Global Bank LD Account # 103020004488 as Salaries for Dec 2014 to NDS

Date	Descriptions	Amount L\$
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	44,898.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	31,204.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	31,204.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	34,628.18
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	31,204.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	15,847.34

Date	Descriptions	Amount L\$
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	58,592.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	38,051.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	23,529.34
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	31,204.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	31,204.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	85,980.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	72,286.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	44,898.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
7-Jan-15	Acct Transfer / NDS Salary for Dec 2014	51,745.66
Total		1,448,352.66

Table 2: Amount debited from LOIC Global Bank LD Account # 103020004488 as Salaries for Feb 2015 to MOH

Date	Descriptions	Amount L\$
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	90,981.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	63,265.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	77,123.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	47,810.68
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	174,129.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	118,697.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	63,265.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	63,265.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	146,413.00
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	70,194.36
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	63,265.32
19-Mar-15	Acct Transfer / MOH SALARY FOR FEB 2015	174,129.32
Total		1,152,539.92

Risk

- 1.1.1.4 Unauthorized withdrawals could result to the loss of funds and non-achievement of entity's programs.
- 1.1.1.5 Payments to institutions without evidence of services performed could lead to waste, abuse and misapplication of public funds.

Recommendation

- 1.1.1.6 Management should provide substantive justification backed by material evidence to validate the withdrawals.

Management's Response

- 1.1.1.7 *LOIC Management is surprised that NDS and MOH appeared on e-bank statement of LOIC Liberian Dollars Checking Account #103020004488 sent to GAC by the bank (Global). However, to correct the situation the Management of LOIC has communicated to the Global Bank via a letter dated November 10, 2020 expressing concerns that NDS and MOH appeared on e-bank statement of the account in reference. See attached copy of said communication to the Bank. To date, there has been no response to this communication.*

Auditor General's Position

- 1.1.1.8 Management's assertions and the submission of Global Bank letter does not address the issue raised. The bank statements show that salaries to "NDS" and the "MOH" were drawn from the LOIC bank account. What does "NDS" and the "MOH" mean?
- 1.1.1.9 Further, Management's assertions that it is surprised that "NDS" and the "MOH" are on the bank statements received by GAC suggests that the Bank Statements in their possession and used to reconcile the monthly bank statements differ and does not have "NDS" and "MOS" on those statements.
- 1.1.1.10 Given the nature of the irregularities of the withdrawals, we refer the transactions to the Liberia Anti - Corruption Commission (LACC) for further investigations.

1.1.2 Un-supported Expenditures

Observation

- 1.1.2.1 Regulation A.3 (1) of the PFM Act of 2009 states 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."
- 1.1.2.2 It was observed during the audit that Management paid US\$45,007.00 to BMC from the Chevron Liberia Limited Grant Fund. However, management did not provide supporting documents for the amount. **See table 3 below for details.**

Table 3: Un-supported Expenditures reported by the LOIC Management

Date	Payee	Description	Vou. #	Check #	Amount US\$
Jan. 12, 2015	BMC	Improvement	6005	00356602	45,007.00

Risk

1.1.2.3 Fund could be diverted to purposes other than those intended.

Recommendation

1.1.2.4 Management should provide substantive justification backed by material evidence for not providing documents to support the expenditures made from the Chevron Grant Fund.

Management's Response

1.1.2.5 *Management admits that the supporting documents were not on the Project files at the time of the audit. We also admit that our own search for the specific documents in reference has not been successful. However, we have contacted the Vendor (Building Materials Center), located on Capitol Bye-pass for their copies of the transaction (Credit invoices and Delivery Notes) which we now attach.*

Auditor General's Position

1.1.2.6 We reviewed the scanned copies of invoices and delivery notes along with the confirmation from the vendor; however, the LOIC Management should locate and provide a copy of the missing voucher to the Office of Auditor General within 30 days after the issuance of the report to the National Legislature for validation. Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009

1.1.2.7 Going forward, the LOIC Management should ensure that it maintains records of all financial transactions in line with the document retention policy of Government.

1.1.3 Non-Competitive Procurement of Goods and services

Observation

1.1.3.1 Regulation P.10 (c) of the PFM Act of 2009 requires that any public officer, including a Minister and head of any government institution, commission, board who signs a voucher, a check, a document or record pertaining to accounts shall ensure that the procurement method used is in line with the provisions of the Public Procurement and Concessions Act (2005).

1.1.3.2 PART V Section 46 (1 & 3) of the Amended and Restated Public Procurement and Concessions Act of 2010 states that "(1) Public procurement shall be undertaken by means of advertised open bid proceedings, to which equal access shall be provided to all eligible and qualified bidders without discrimination, subject only to the exceptions provided under this Part for particular methods of procurement and (3) Procuring Entities may use only those methods of procurement authorized by this Act. If a Procuring Entity uses a method of procurement other than advertised open competitive bidding, it shall note in the record of the procurement proceedings the grounds for the choice of the procurement method."

1.1.3.3 It was observed during the conduct of the audit that the LOIC Management paid a total of US\$203,962.40 for training materials and vehicles without evidence of the use of a competitive bidding. **See table 4 below for details.**

Table 4: Payments made without going through the PPCC Procurement process

Date	Payee	Description	Vou. #	Check#	LPO#	Amount US\$
July 9, 2014	Building Material Center (BMC)	Training Materials	5192	2412465	1739-42	10,000.00
July 9, 2014	Super Petroleum	Utility Expenses				6,117.40
January 5, 2015	Building Material Center (BMC)	Training materials	5701	00011301		50,545.00
March 17, 2015	Building Material Center (BMC)	Training materials	5708	00011307		85,300.00
March 17, 2015	J & J Used Car Trading	Payment for LOIC-Bread for the World Gbarnga and Sinje Satellites Vehicles purchase (Nissan Navara 4 X 4 Diesel P-Ups)	5772	00011549		52,000.00
Total						203,962.40

Risk

1.1.3.4 Failure to use the required procurement method could lead to the award of contracts to non-deserving contractors and deny the achievement of value for money.

Recommendation

1.1.3.5 Management should provide substantive justification backed by material evidence for not exercising the tendering and competitive bidding processes for the procurement of the goods.

Management's Response

1.1.3.6 *Management admits that it did not strictly adhere to the PPCC provision; however, as indicated by the communication (dated January 2015), the LOIC, due to constraints faced by the Organization relative to the purchase of needed training materials, maintained the Purchase Agreement (dated January 15, 2014) with the Building Materials Center for the supply of needed skills training materials. See copies attached.*

1.1.3.7 *Prices for petroleum products are regulated by the Government of Liberia for uniformed pricing.*

1.1.3.8 Management admits that it did not strictly adhere to the PPCC provision due to the fact that J & J Used Car Trading was the only vendor at that time had the Nissan Navara Pick-ups.

Auditor General's Position

1.1.3.9 We acknowledge Management's assertion that "it did not strictly adhere to the PPCC provision"; and must note that the assertions do not address the issue raised.

1.1.3.10 Further, management's assertion that due to constraints and the need for skills training materials is the rationale for entering a purchase agreement with Building Material is unacceptable and violated the PPCC Act of 2005 as amended and restated in 2010.

1.1.3.11 Going forward, the LOIC Management should ensure that all provisions of the Amended and Restated PPCC Act of 2005 are adhered to. Therefore, Management is in breach of PART V Section 46 (1 & 3) of the Amended and Restated Public Procurement and Concessions Act of 2010 and Regulation A. 20 of the PFM Act of 2009. We therefore retain our finding and recommendation.

1.1.4 Withholding Tax

Observation

1.1.4.1 Section 806.e of the Revenue Code of Liberia Act of 2000 as amended in 2011 states that "A payer who makes a payment to a nonresident for Liberian-source services rendered is required to withhold tax at the rate of 15 percent of the amount of the payment if payment is of a sort that, if made to a resident, would be includible in gross income under Section 201, including Board fees, management fees, commissions, and the like)".

1.1.4.2 Furthermore, Section 905 (a) of the Revenue Code of Liberia Act of 2000 as amended in 2011 also states that "a government agency that makes a payment to a resident in circumstances other than those described in subsections (a) through (i) is required to withhold a portion of the payment as specified in regulations, but not more than 4%."

1.1.4.3 It was observed during the audit that Management did not withhold and remit withholding taxes totaling US\$7,677.70 into GoL consolidated revenue account for goods and services procured from vendors. **See table 5 below for details:**

Table 5: Schedule of Goods and Services paid for without deducting Turnover Tax

Date	Payee	Description	Vou. #	Check#	Amount US\$	Amount US\$ 4/2% Turnover Tax
July 9, 2014	BMC	Training Materials	5192	2412465	10,000.00	400.00



Date	Payee	Description	Vou. #	Check#	Amount US\$	Amount US\$ 4/2% Turnover Tax
July 9, 2014	Super Petroleum	Utility Expenses (fuel oil & gasoline)			6,117.40	244.70
February 12, 2015	Building Material Center	Training Materials	5706	00011305	40,000.00	1,600.00
January 5, 2015	Building Material Center	Renovation Materials	5701	00011301	50,545.00	2,021.80
March 17, 2015	Building Material Center	Training materials	5708	00011307	85,300.00	3,412.00
Totals					191,962.40	7,677.70

Risk

- 1.1.4.4 Payment to vendors and service providers without the required withholding tax deduction could deprive the Government of Liberia much needed revenue.

Recommendation

- 1.1.4.5 The Management of LOIC should provide substantive justification for failing to deduct from its vendors and service providers withholding taxes in the amount of US\$7,677.70.
- 1.1.4.6 Management should ensure that the required withholding taxes along with the associated penalties for late payment are deducted and deposited into the GoL Consolidated Account.

Management's Response

- 1.1.4.7 *Management acknowledges that the withholdings in reference were not done. REASONS: The Management is not aware of this regulation being practiced in Liberia. Our payments to vendors/suppliers are done per invoiced amounts. As far as Management understands, the 4%/2% turnover tax should be paid by the vendors/suppliers to the Government of Liberia.*

Auditor General's Position

- 1.1.4.8 Management's assertion is not material justification for not withholding the required taxes from vendors. Therefore, we maintain our findings and recommendation.

1.1.5 Irregular Disbursement of Funds

Observation

- 1.1.5.1 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".

- 1.1.5.2 It was observed during the conduct of the audit we observed that on on November 3, 2014, the LOIC Manager assigned at the Sinje Satellite Mr. George B. Tombekai received a total of US\$424.00 as salaries on behalf of the below listed staff for the months of April, May and June 2014 without evidence of authorization. **See table 6 below for details:**

Table 6: List of employees who salaries were received by Mr. George B. Tombekai

No.	Name	Position	Amount US\$
1	Hanah W. Davis	Tailoring Instructor	141.47
2	Alieu V. Kemokai	Small Engine Instructor	141.47
3	Edward F. Gertee	Counselor II	141.47
Total			424.41

- 1.1.5.3 It was further observed that the Payment voucher #5524 was not approved by the National Executive Director.

Risk

- 1.1.5.4 Making payment intended for staff to another person without any written authorization could lead to diversion of the salaries, and or misappropriation.

- 1.1.5.5 The authenticity of the payment cannot be assured in the absence of approval.

Recommendation

- 1.1.5.6 The Management of the LOIC should provide substantive justification backed by material evidence for disbursing staff salaries without authorization and approval.

Management's Response

- 1.1.5.7 *A need for clarification: George B. Tombekai is the Manager of the Sinje Satellite of LOIC who is responsible for the management and operation of this Satellite. He received the salaries on behalf of the three Staff with their consent (through telephone communication to the National Office) and paid them subsequently.*

Auditor General's Position

- 1.1.5.8 Management's assertion that three Staff gave their consent is not supported. An authorization in writing is required.
- 1.1.5.9 Going forward, Management should ensure that any staff who receives salary on behalf of other staff should get written authorization in order to allow third party payment.
- 1.1.5.10 Therefore we maintain our finding and recommendation; and, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act off 2009.

1.1.6 Third Party Payments

Observation

- 1.1.6.1 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”.
- 1.1.6.2 It was observed during the audit that Management paid US\$5,450.00 to Madam Asatu M. Massalay as salaries for Sinje Satellite for the months of December 2014 and January 2015 and US\$3,176.00 to Mr. Kewon S. Cortee as February staff salary for Gbarnga Satellite respectively instead of making the payments in the name of individual staffs that provided services to LOIC. **See table 7 below for details.**

Table 7: Salaries for Employees Paid in the Name of a Single Staff

Date	Payee	Descriptions	Vou.#	CK. #	Amount US\$
Jan. 21, 2015	Asatu M. Massalay	Salaries for Sinje Satellite on January 21, 2015 for the months of December 2014 and January 2015	5544	00011519	5,450.00
Feb. 25, 2015	Kewon S. Cortee	Payment for the month of February staff salary for Gbarnga Satellite 2015.	5764	00011539	3,176.00
Total					8,626.00

Risk

- 1.1.6.3 Making payment intended for staff to another person without any written authorization could lead to diversion of the salaries and/ or misappropriation.

Recommendation

- 1.1.6.4 The LOIC management should provide substantive justification backed by material evidence for paying the salaries of staffs in the name of single individual rather than staff providing the service.

Management's Response

- 1.1.6.5 *LOIC's activities are project based and time bond. We find it very difficult to pay our staff through the banking system because it takes a lot of time and resources for all of the staff to leave their jobs to run after their salaries as compared to one Finance Officer who will en-cash one (bulk) payroll check and pay the staff at a central point.*

Auditor General's Position

- 1.1.6.6 We acknowledge Management's assertion and acceptance of our finding; however, the receipt of employees' salaries for onward payments is susceptible to misapplication, abuse and fraud.

- 1.1.6.7 Going forward, Management should ensure that it pays its staff by mobile money or direct deposits through the commercial banks.
- 1.1.6.8 We therefore maintain our finding; and, management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.

1.1.7 Unapproved Payment Voucher

Observation

- 1.1.7.1 Regulation 13 .2 (2) of the PFM Act of 2009 states that, "the original payment voucher or certificates shall be signed and the officer shall ensure that legible copies of the signature are on each of the vouchers. One sheet shall be signed separately, but no signature shall be written across one or more certificates."
- 1.1.7.2 Furthermore, Regulation C.8 (1-2) of the PFM Act of 2009 require that a head of a government agency or spending unit shall be personally and pecuniary responsible to Legislature for the use of funds under their control.
- 1.1.7.3 (2) A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency. (3) Without limiting the generality of sub regulation (1) and (2), a head of agency or spending unit shall: (a) ensure that the agency's accounting system has been approved by the Minister in consultation with the Auditor- General 35 (b) manage and operate the agency's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business; and (c) secure the efficient and effective use of appropriations under agency control in compliance with any enactment, regulations or instructions issued under the authority of any enactment.
- 1.1.7.4 During the audit, it was observed that Management paid US\$52,000.00 to J & J Used Car Trading for two (2) used Nissan, Navara 4 X 4 Diesel Pick – Ups, on voucher #5772 without evidence that the voucher was approved by the National Executive Director (NED).

Risk

- 1.1.7.5 The authenticity of the payment cannot be assured in the absence of an approval.

Recommendation

- 1.1.7.6 The LOIC Management should provide substantive justification backed by material evidence for making payment without the approval of the National Executive Director.

Management's Response

- 1.1.7.7 *Management admits that the National Executive Director mistakenly didn't sign the payment voucher. However, the request, Purchase Order and the check for procurement*

of the two (2) vehicles were approved by the National Executive Director. See attached request and purchase order.

Auditor General's Position

- 1.1.7.8 We acknowledge management's acceptance of our finding; however, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.
- 1.1.7.9 Going forward, Management should ensure that all payment vouchers prepared by LOIC are signed by the Executive Director.

1.1.8 Un-Supported Payments for Radio Coverage

Observation

- 1.1.8.1 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".
- 1.1.8.2 Furthermore, Regulation A.3 (1) of the PFM Act of 2009 also states 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."
- 1.1.8.3 During the audit, it was observed that management paid US\$3,500.00 to Mr. Kewon S. Cortee for Publicity and Reproduction of Workshop Materials for Gbarnga Satellite instead of making the payment to the vendors or their authorized representatives.
- 1.1.8.4 Further scrutiny of the liquidation report from Mr. Kewon S. Cortee revealed that US\$2,000.00 for radio coverage for Gbarnga and Sinje Stations were not supported by any break – down of how many days, hours or unit per announcement time that summed up to the amount.
- 1.1.8.5 It was further noted that receipts attached to the liquidation report did not contain any name, contact, location nor billing information from the suppliers of the workshop materials and radio coverage to facilitate confirmation. **See table 9 for details:**

Table 9: Payment made for publicity and reproduction without proper documentation

Date	Payee	Descriptions	Vou.#	CK. #	Amount US\$
Feb. 25, 2015	Kewon S. Cortee	Payment for publicity and reproduction of workshop materials for Gbarnga Satellite	5770	00011545	3,500.00

Risk

- 1.1.8.6 The authenticity of the transactions cannot be assured in the absence of adequate supporting documents.

Recommendation

- 1.1.8.7 The LOIC should provide substantive justification backed by material evidence for making the payment in the name of its staff instead of the vendors.

Management's Response

- 1.1.8.8 *The payment towards the conduct of a workshop with a team responsible to execute the workshop.*

Auditor General's Position

- 1.1.8.9 Management did not address the issue raised. Therefore, Management should account for the unsupported payment. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.2 Governance Issues

1.2.1 Legal Title of LOIC Undefined (Legislative Act vs. Articles of Incorporation)

Observation

- 1.2.1.1 Section 3 Count 3 of the Act to Incorporate the Liberia Opportunities Industrialization Center (LOIC) approved by the National Legislature of Liberia on July 6, 1976 and published on January 12, 1979 states that "To integrate and co-ordinate its activities with existing man-power training programs in Liberia, as well as to initiate other programs in keeping with the manpower needs of the country as reflected in the January 1977 Memoranda of Agreement and Understanding entered into between the Government of the Republic of Liberia, as represented by the Ministry of Labour, Youth and Sports, and the Opportunities Industrialization Center International (OICI) as represented by OICI Board of Directors".
- 1.2.1.2 According to Counts 4 and 5 of the Memorandum of Understanding dated January 7, 1977 between the Government of Liberia and the OICI, the OICI and Government agreed that OICI and Government jointly finance OIC Liberia. Further, it was mutually understood and agreed that OICI will provide all necessary equipment for the operation of the Center including technical staff for a period of five (5) years beginning 1977 – 1981. The Government also promised and agreed to take over the entire operations of OIC Liberia at the termination of the five (5) years period referred to above.
- 1.2.1.3 During the conduct of the audit, we observed that the late Rev. Dr. Walter Richards incorporated the LOIC on January 3, 2007 as a private corporation but there was no evidence that the Act establishing the LOIC was repealed. **See Exhibits 1, 2, 3 & 4 for details.**

Risk

- 1.2.1.4 The entity may lose its statutory title to individuals other than those prescribed by law.
- 1.2.1.5 The original objectives for the creation of the entity may be influenced and altered by individuals acting as incorporators.
- 1.2.1.6 The entity may not benefit from budgetary supports in the absence of a well-defined legal status.

Recommendation

- 1.2.1.7 The LOIC management should provide substantive justification backed by material evidence to support its action to re-incorporate the entity when there is no proof that the Act creating it has been repealed.
- 1.2.1.8 In the absence of any act to repeal the Act of 1976 which created the LOIC, the Management should revert to the original Act of 1976.

Management's Response

- 1.2.1.9 *It is a fact that the Act to Incorporate LOIC as non-for-profit corporation was approved by the National Legislature of Liberia on July 6, 1976 and published on January 12, 1979. However, due to the coming into being of several NGOs during post war period in Liberia, the Ministry of Foreign Affairs reinforced the regulation that all NGOs should be incorporated. This regulation constrained the Board of Directors of LOIC to incorporate the Entity under the signature of the Late Rev. Dr. Walter D. Richards (Chairman, LOIC Board of Directors) on January 3, 2007. Thus, the incorporation of the Entity under the signature of the then Chairman of the Board of Directors does not render LOIC as his private property.*

Auditor General's Position

- 1.2.1.10 Management's assertion is not materially supported. The LOIC Management should have gone to the National Legislature to repeal the 1976 Act before incorporating.
- 1.2.1.11 We strongly recommend that the matter be investigated to understand the status of LOIC- governmental entity or a private NGO. The matter is been referred to the Ministry of Justice for further investigation. We therefor maintain our finding.

1.2.2 Unapproved Board Constitution and By-Laws

Observation

- 1.2.2.1 Section 5 of the Act to Incorporate the Liberia Opportunities Industrialization Center (LOIC) approved by the National Legislature of Liberia on July 6, 1976 and published on January 12, 1979 states that "THE LIBERIA OPPORTUNITIES INDUSTRIALLIZATION CENTER, is hereby vested with full power and authority to make and establish by-laws and regulations for its governance and to do all other acts and things done by similar bodies corporate as are not repugnant to the Constitution and Laws of the Republic".

1.2.2.2 During the audit, it was observed that the Board of Directors of the LOIC was operating without an approved by-laws and constitution. Instead, the board was using and unapproved by-laws and constitution of April 27, 1989. **See Exhibit 1 & 6 for copies of the Act and by-laws for details.**

Risk

1.2.2.3 The oversight responsibility of the board could be left to the discretion of individual board members.

1.2.2.4 Board decisions may not be credible in the absence of any framework to govern the activities of its members.

Recommendation

1.2.2.5 The LOIC management should provide substantive justification backed by material evidence for operating a board without an approved Constitution and by-laws to govern the activities of board members.

Management's Response

1.2.2.6 *By-laws and Constitution are not signed but the approval date of adoption/ approval and the names of the committee members are what are required. Example, the 1986 Constitution of Liberia bears nobody signature*

Auditor General's Position

1.2.2.7 Management's assertion does not address the issue raised. Approval should be indicated by signature.

1.2.2.8 Management should therefore get the board to formally approve the By-laws and Constitution of the LOIC to make it valid after the status of the entity is determined.

1.2.3 Lands and other Properties not included on Fixed Asset Register

Observation

1.2.3.1 Regulation V (2-3) of the PFM Act of 2009 states that "The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that: (a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; and (b) inventory levels are at an optimum and economical level. (3) The Head of Government Agency must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the assets assigned to the institution."

1.2.3.2 During the conduct of the audit, it was observed that management did not have adequate controls in place to protect the entity's assets at its various satellite facilities as there was no evidence of policies for usage, safekeeping and periodic inspections.

1.2.3.3 It was further observed that the LOIC omitted the below listed properties on the list of fixed assets:

- 8 Acres of land in Zwedru, Grand Gedeh County
- 5 Acres of land located adjacent to School of the Blind, R2, Paynesville Roberts Field Highway
- Unspecified number of acres of land in Voinjama, Lofa County
- A structure in Gbapolu County said to be placed in care of a lady not named by the by the LOIC Management. ***See exhibit 5 for details of Fixed Asset Register.***

Risk

1.2.3.4 Fixed assets could be vulnerable to theft, losses, wastage and misuse.

1.2.3.5 Fixed assets may not be utilized in an effective, efficient, economical and transparent manner.

Recommendation

1.2.3.6 The LOIC Management should provide substantive justification backed by material evidence for not putting in place control system to protect the fixed assets.

1.2.3.7 Further, LOIC Management should ensure that the lands are all included on the fixed asset register of the entity.

Management's Response

1.2.3.8 *We have acknowledged the findings and will adhere to audit recommendation; however, we could not include the lands indicated on the fixed asset register of the Entity because these land deeds are not been signed by the President of the Republic of Liberia. See attached a copy of communication dated November 20, 2019 addressed to the Honorable Chairman of Liberia Land Authority, Republic of Liberia to assist in processing incomplete land deeds for the entity.*

Auditor General's Position

1.2.3.9 We acknowledge management's acceptance of our finding and recommendation and its effort to legalize the titles of the lands.

1.2.3.10 However, in reference to management's letter dated 15 December 2018, the lands on the Roberts Field Airport (RIA) Highway with the missing deed should be included on the fixed asset listing since it is a deeded land and therefore a property of LOIC. Management should engage the National Center Document and Records Agency (NCDRA) to retrieve copy of the deed.

1.2.3.11 With respect to the lands in Voinjama, Gbarpolu and Zwedru, the LOIC Management should exert all efforts to have the deeds completed and probated within six (6) months after the issuance of this report to the National Legislature. Copies of the deeds should be submitted to the Office of the Auditor General for validation.

1.2.3.12 Management is however in breach of Regulation V (2-3) of the PFM Act of 2009.

1.2.4 Operating without Financial Manual

Observation

1.2.4.1 Regulation A.5 (1) of the PFM Act of 2009 states that "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:

- The duties to be performed by specified officers,
- The accounts to be kept and returns to be submitted, and
- Such other instructions as may be required for the proper conduct of the financial matters of the Government agency."

1.2.4.2 During the audit, it was observed that the LOIC management did not have any accounting manual that would suit and regulate the financial activities at the entity.

Risk

1.2.4.3 Duties to be performed by account personnel could be left to the discretion of account officers.

1.2.4.4 Management may not be able to properly regulate the conduct of financial matters at the entity.

Recommendation

1.2.4.5 Management of the LOIC should provide substantive justification backed by material evidence for conducting the financial affairs of the entity without an accounting manual.

1.2.4.6 The management should prepare an accounting manual approved by the relevant authority and present same to the office of the Auditor General for validation.

Management's Response

1.2.4.7 *We acknowledge this. Management realizes the need and necessity.*

Auditor General's Position

1.2.4.8 We acknowledge the acceptance of our audit finding and recommendation. We will make a follow up on the implementation of our audit recommendation during subsequent audit.

1.2.5 Budget Committee

Observation

1.2.5.1 Regulation D.16.1 of the PFM Act of 2009 states that: "Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of (a) The head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers)".

1.2.5.2 During the audit, we observed that the LOIC Management did not establish a budget committee.

Risk

1.2.5.3 The absence of a budget committee may lead to delay in the Commission's budget formulation, implementation, and monitoring.

Recommendation

1.2.5.4 Management should establish a Budget Committee to be responsible for budget formulation, implementation and the monitoring of the organization's activities.

Management's Response

1.2.5.5 *We acknowledge the findings and will implement audit recommendations*

Auditor General's Position

1.2.5.6 We acknowledge the acceptance of our audit finding and recommendation. We will make a follow up on the implementation of our audit recommendation during subsequent audit.

1.2.6 Audit Committee

Observation

1.2.6.1 Regulation K.10 of PFM Act of 2009 states that "a 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".

1.2.6.2 In addition, Regulations K.11(1), of the PFM Act 2009 (a) states that "the Audit Committee of Government Agencies or Organizations shall 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."

1.2.6.3 During the period under audit, there was no evidence to indicate that Management established functioning audit Committee.

Risk

1.2.6.4 Failure by Management to establish functioning Audit Committee may prevent Management from taking timely corrective action on deficiencies identified in internal controls.

Recommendation

1.2.6.5 Management should establish a functioning Audit Committee as part of the Governance structures. This will enable Management to evaluate and ensure that internal controls are operating effectively and at all times.

Management's Response

1.2.6.6 *We have acknowledged the findings and will adhere to audit recommendations*

Auditor General's Position

- 1.2.6.7 We acknowledge the acceptance of our audit finding and recommendation. We will make a follow up on the implementation of our audit recommendation during subsequent audit.
- 1.2.6.8 Management is however in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.2.7 No Evidence of Risk Assessment

Observation

- 1.2.7.1 According to the Committee of Sponsoring Organizations of the Tread way Commission, every entity faces a variety of risks from external and internal sources. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed. A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories relating to operations, reporting, and compliance with sufficient clarity to be able to identify and analyze risks to those objectives.
- 1.2.7.2 During the period under audit, there was no evidence that Management conducted risk assessment on the operations of the LOIC so as to recognize the risks the organization faced in achieving its objectives.

Risk

- 1.2.7.3 The absence of a documented risk assessment by the LOIC indicates that Management would not be able to identify and analyze risks within the entity.

Recommendation

- 1.2.7.4 The LOIC Management should ensure that it conducts risk assessment on the operations of the LOIC so that the impact of possible threats can be mitigated.

Management's Response

- 1.2.7.5 *We acknowledge the findings and will implement audit recommendations*

Auditor General's Position

- 1.2.7.6 We acknowledge the acceptance of our audit finding and recommendation. We will make a follow up on the implementation of our audit recommendation during subsequent audit.

1.2.8 Disaster Recovery Plan

Observation

- 1.2.8.1 According to COSO Internal Control Framework on Control Environment, the Management of an entity should develop a documented Disaster Recovery Plan to provide procedures

to be followed in the event of a disaster. The plan would mitigate the loss of transaction data and information. The purpose of the plan is to minimize the effects of service interruption of the operations by specifying procedures to be followed in the event of a disaster or specific situation, especially measures to be put in place to minimize the effects of disasters.

- 1.2.8.2 During the audit we observed that there was no evidence that Management put in place a Disaster Recovery Plan (DRP) to help recover transaction data and information in instances of disasters.

Risk

- 1.2.8.3 The lack of disaster recovery plan may lead to complete loss of transaction data and information in the event of disaster.

Recommendation

- 1.2.8.4 Management should develop a Disaster Recovery Plan as part of the entity's risk Management strategy. This would mitigate the risk of complete loss of transaction data and information in the event of a disaster.

Management's Response

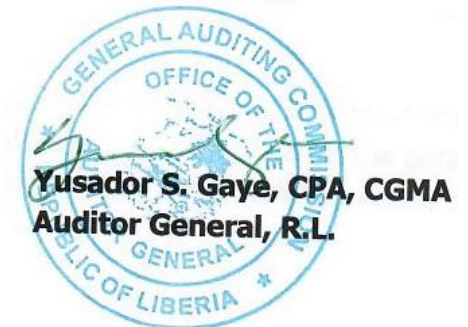
- 1.2.8.5 *We have acknowledged the findings and will adhere to audit recommendations However, Management seeks Auditors' advice.*

Auditor General's Position

- 1.2.8.6 We acknowledge the acceptance of our audit finding and recommendation. We will make a follow up on the implementation of our audit recommendation during subsequent audit.

ACKNOWLEDGEMENT

- 1.3** We acknowledge the cooperation and assistance provided to the GAC Audit Team by the Management and staff of the Liberia Opportunities Industrialization Center during the audit. The efforts and commitment of the GAC staff in conducting the audit are also gratefully acknowledged.



Monrovia, Liberia
January 2021

EXHIBITS

Exhibit 1

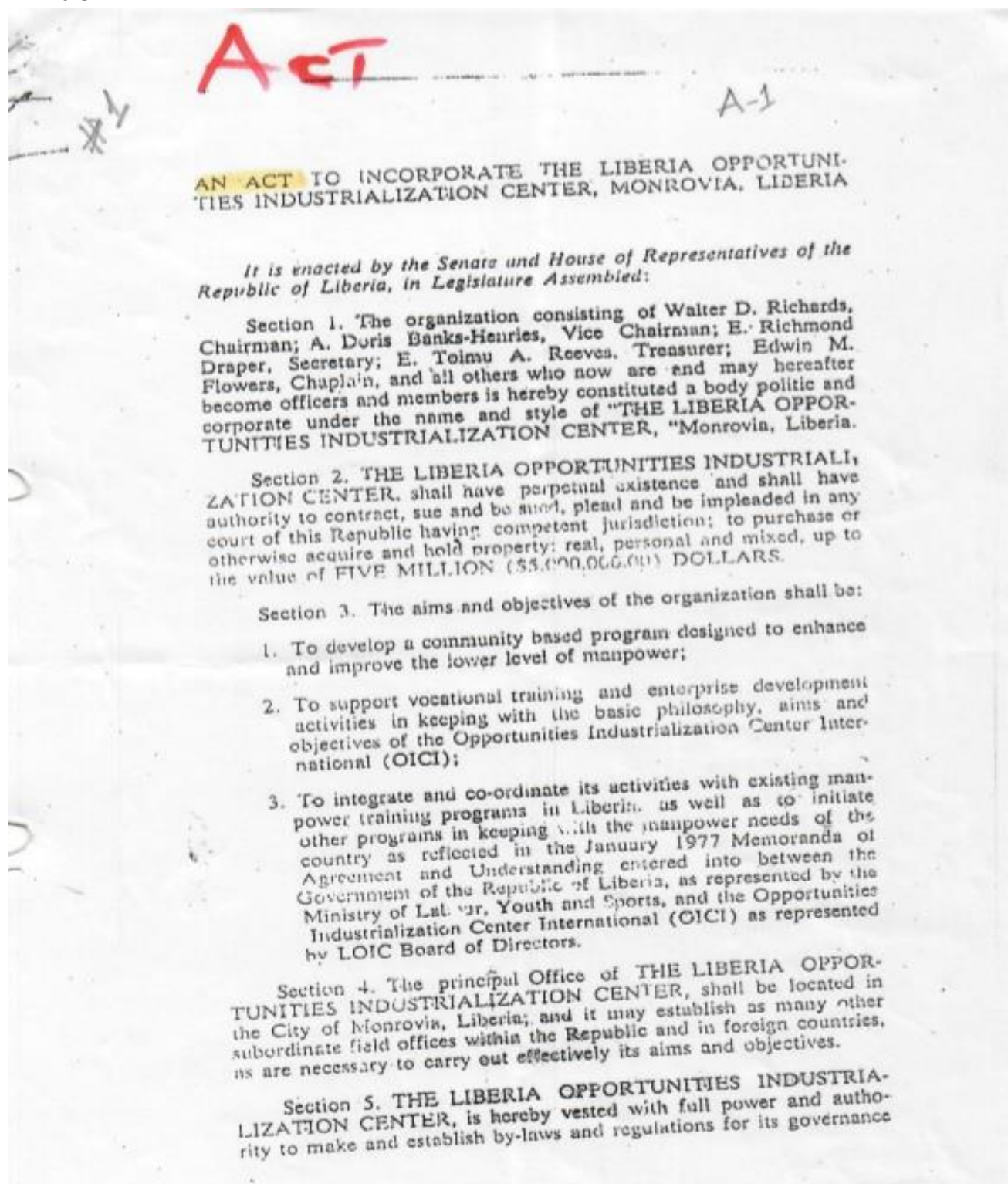


Exhibit 1a

and to do all other acts and things done by similar bodies corporate as are not repugnant to the Constitution and Laws of the Republic.

Section 6. THE LIBERIA OPPORTUNITIES INDUSTRIALIZATION CENTER, as an organization and non-profit corporation shall be exempt from the payment of such taxes as provided by law with respect to similar organizations but its account showing receipts and expenditures shall always be open to inspection by any official designated by the Minister of Finance.

Section 7. This Act shall become effective immediately upon publication in hand-bills.

Any law to the contrary notwithstanding.

Approved: July 6, 1976

Published by Authority
Government Printing Office
Ministry of Foreign Affairs
Monrovia, Liberia
January 12, 1979

Exhibit 2

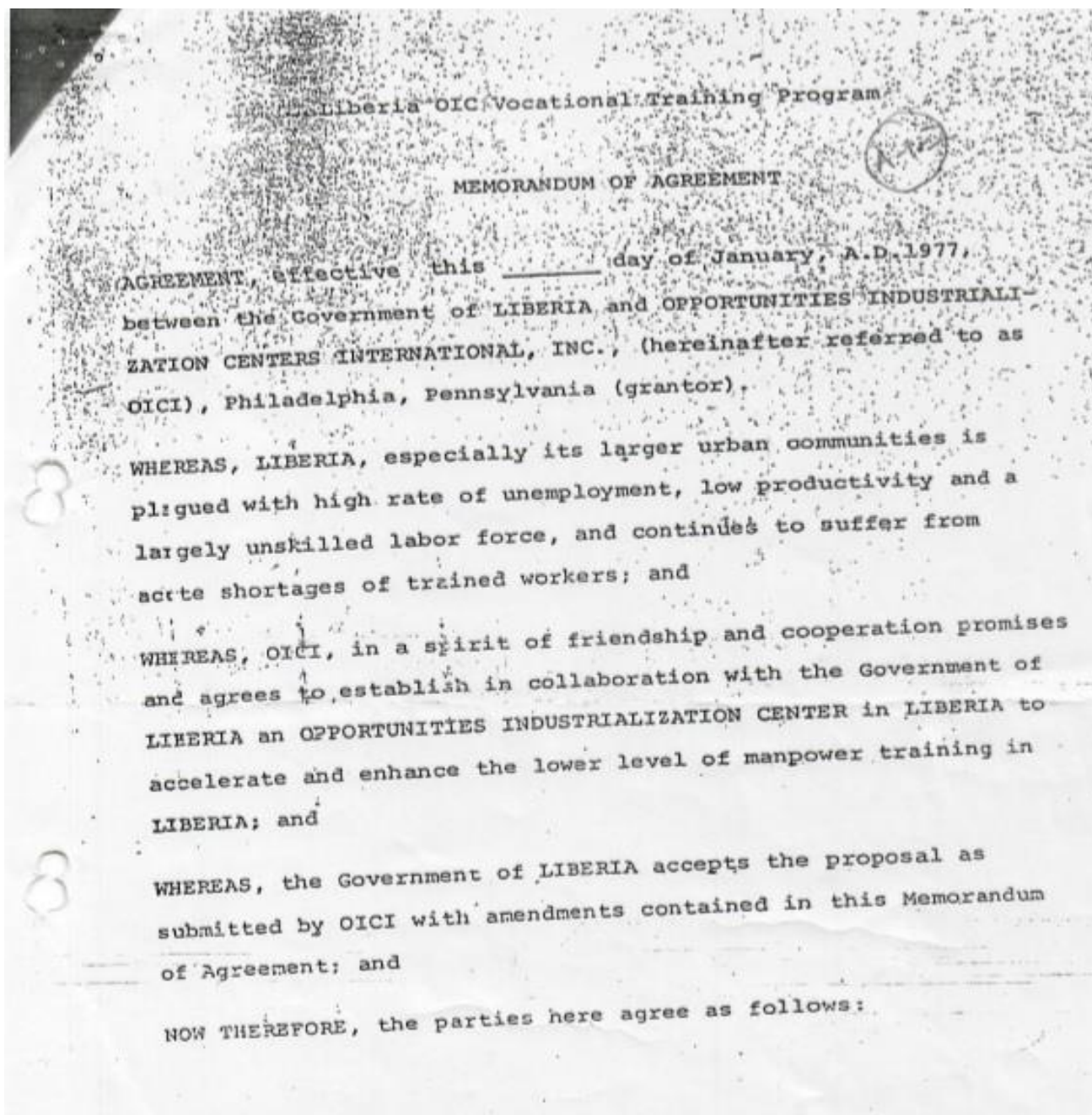


Exhibit 2a

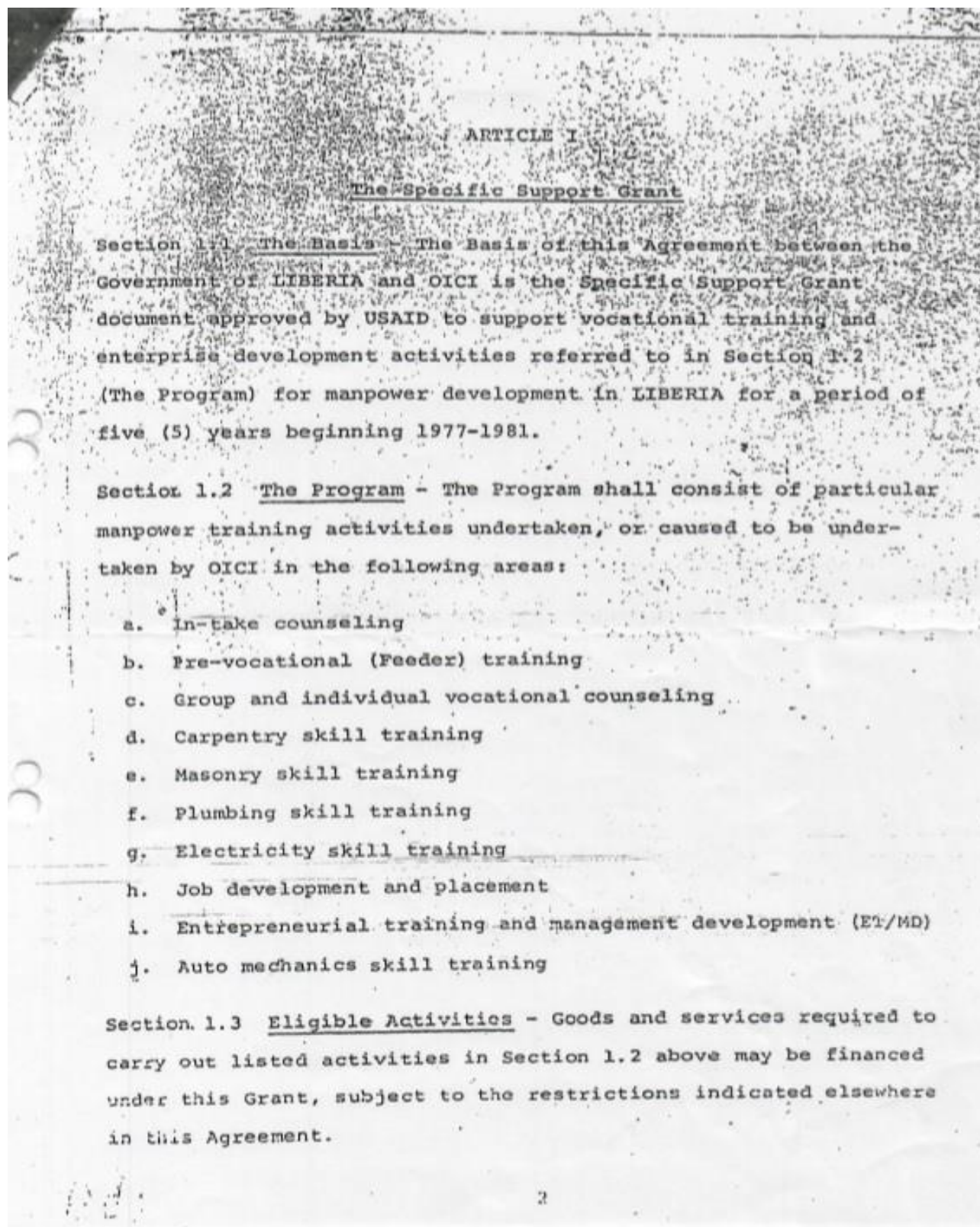


Exhibit 2b

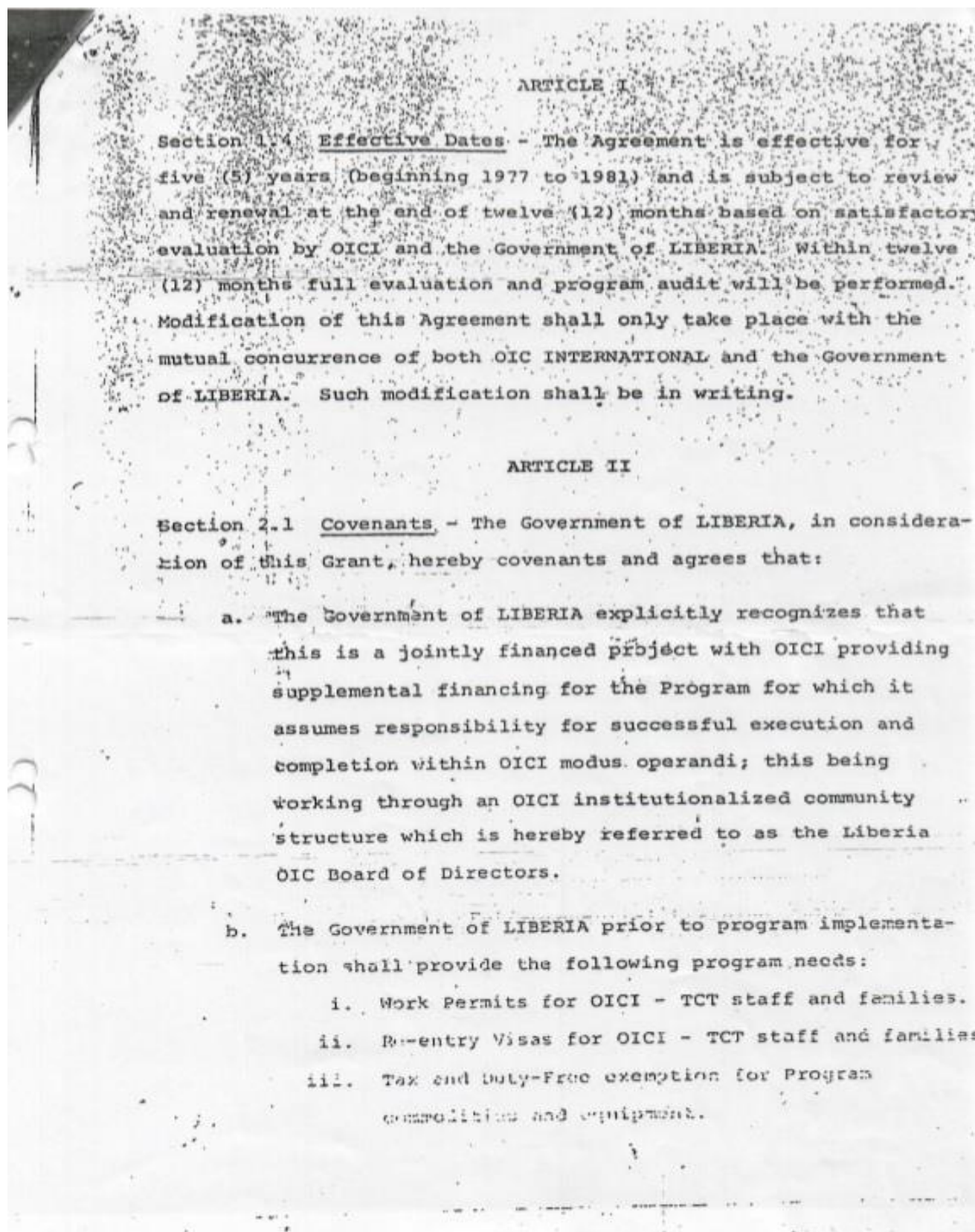


Exhibit 2c

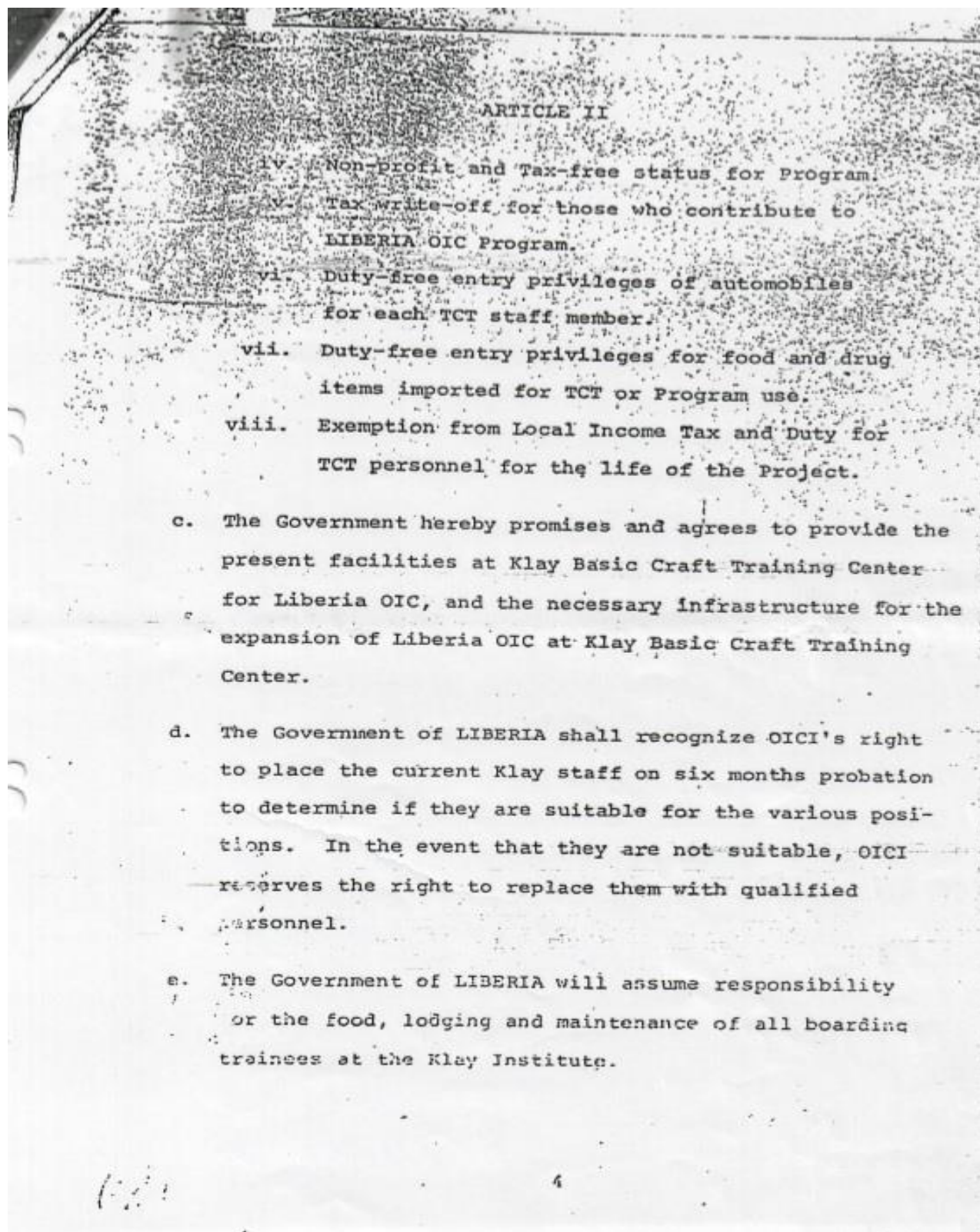


Exhibit 2d

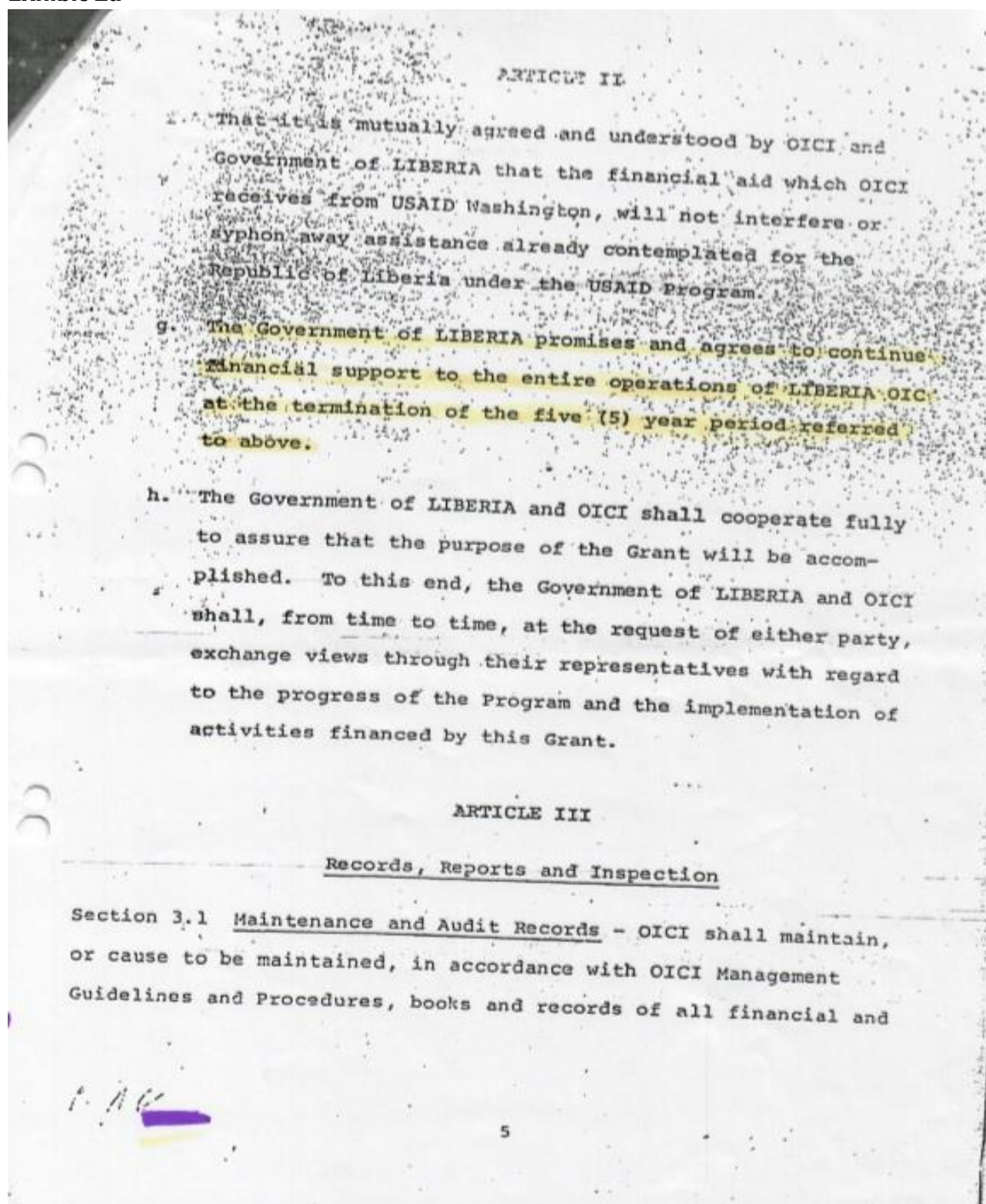


Exhibit 2e

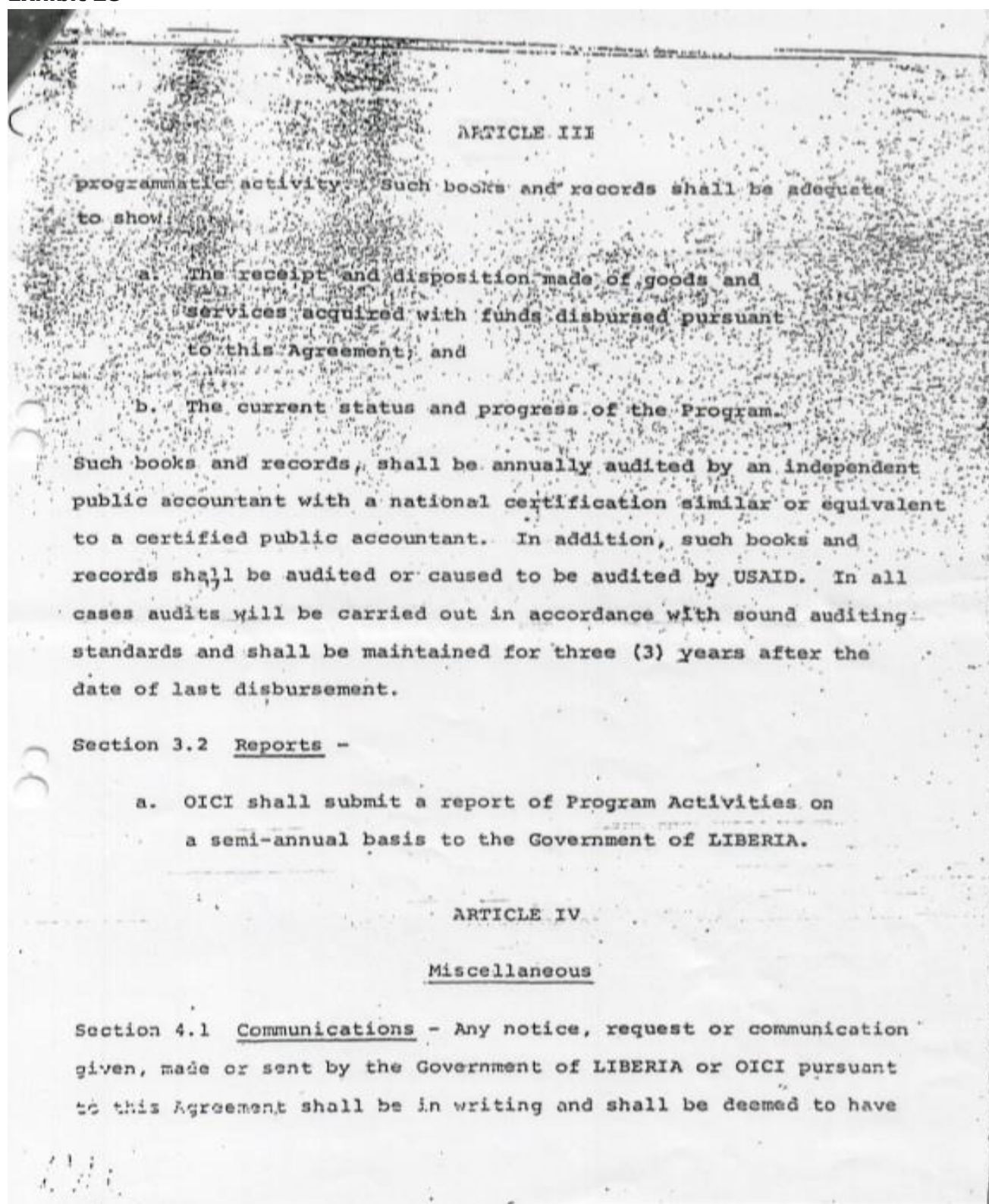


Exhibit 2f

ARTICLE IV

been duly given, made or sent to the party to which it is addressed when delivered by hand, mail, telegram, cable or radiogram to such other party at the following addresses:

TO THE GOVERNMENT OF LIBERIA:

Mail Address: Ministry of Labour, Youth and Sports
Monrovia, Liberia.

Cable Address:

TO OICI:

Mail Address: 240 West Tulpehocken Street
Philadelphia, Pennsylvania 19144 USA

Cable Address: OICINTERNA, PH PA.

Section 4.2 Representatives - For all purposes relative to this Agreement, the Government of LIBERIA will be represented by the individual holding or acting in the Office of Minister of Labour, Youth & Sports, and OICI will be represented by the individuals holding or acting in the offices of Chairman of the Board and International Director. Such individuals shall have the authority to designate by written notice additional representatives. In the event of any replacement or other designation of a representative hereunder, each party shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to OICI and the Government of LIBERIA. Until receipt by OICI of written revocation notice of authority, OICI may accept the signature of any

7

Exhibit 2g

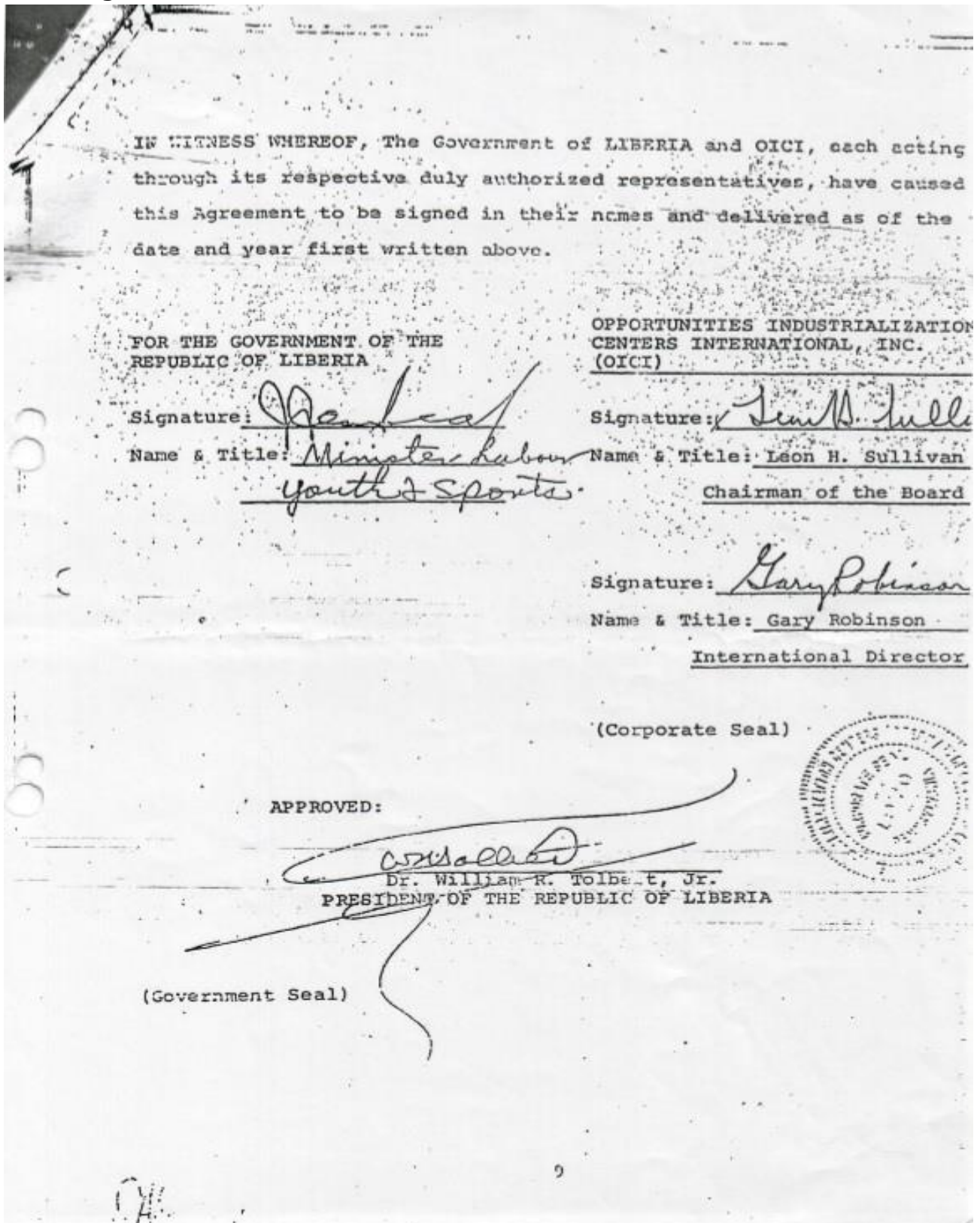


Exhibit 3

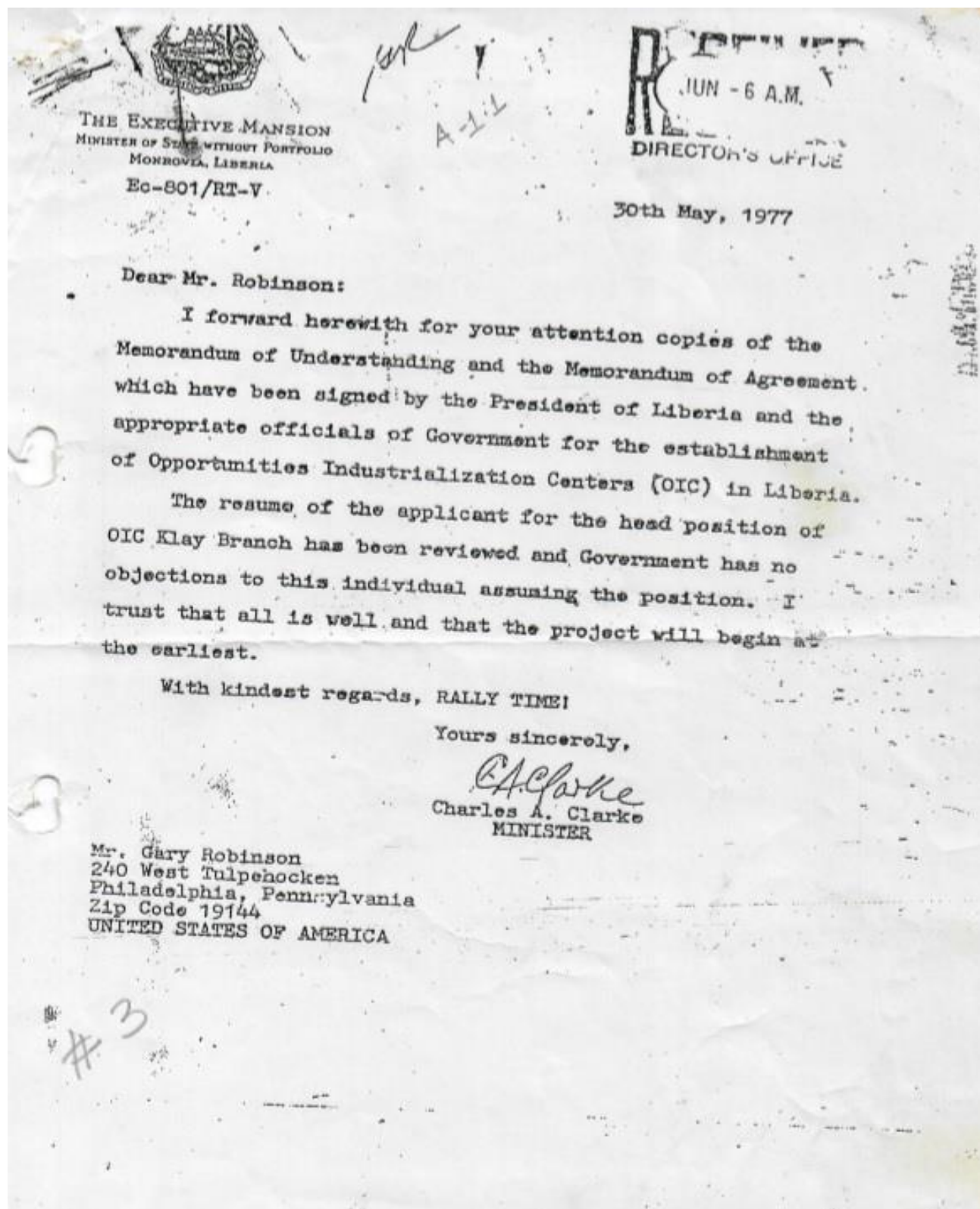


Exhibit 3a

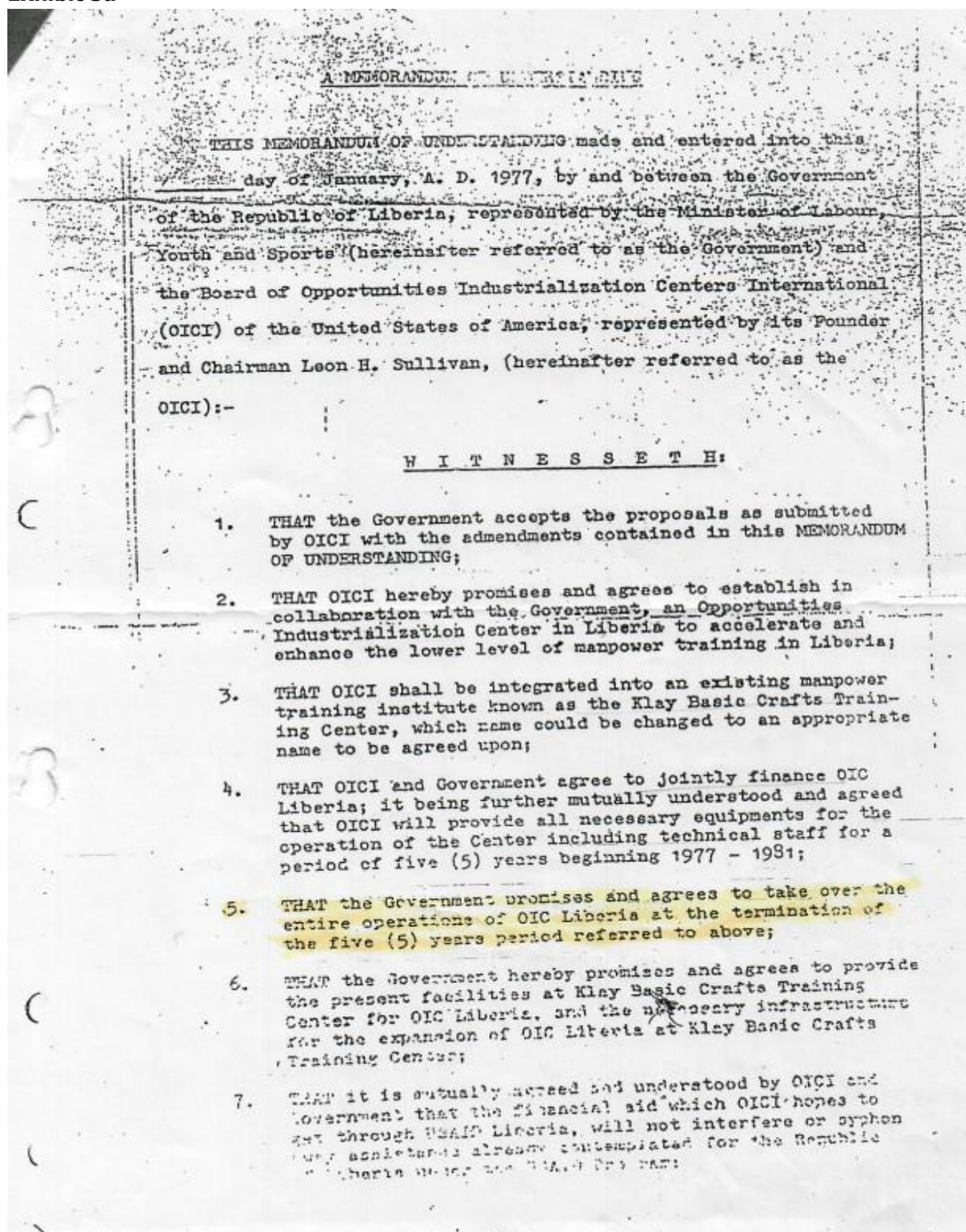


Exhibit 3b

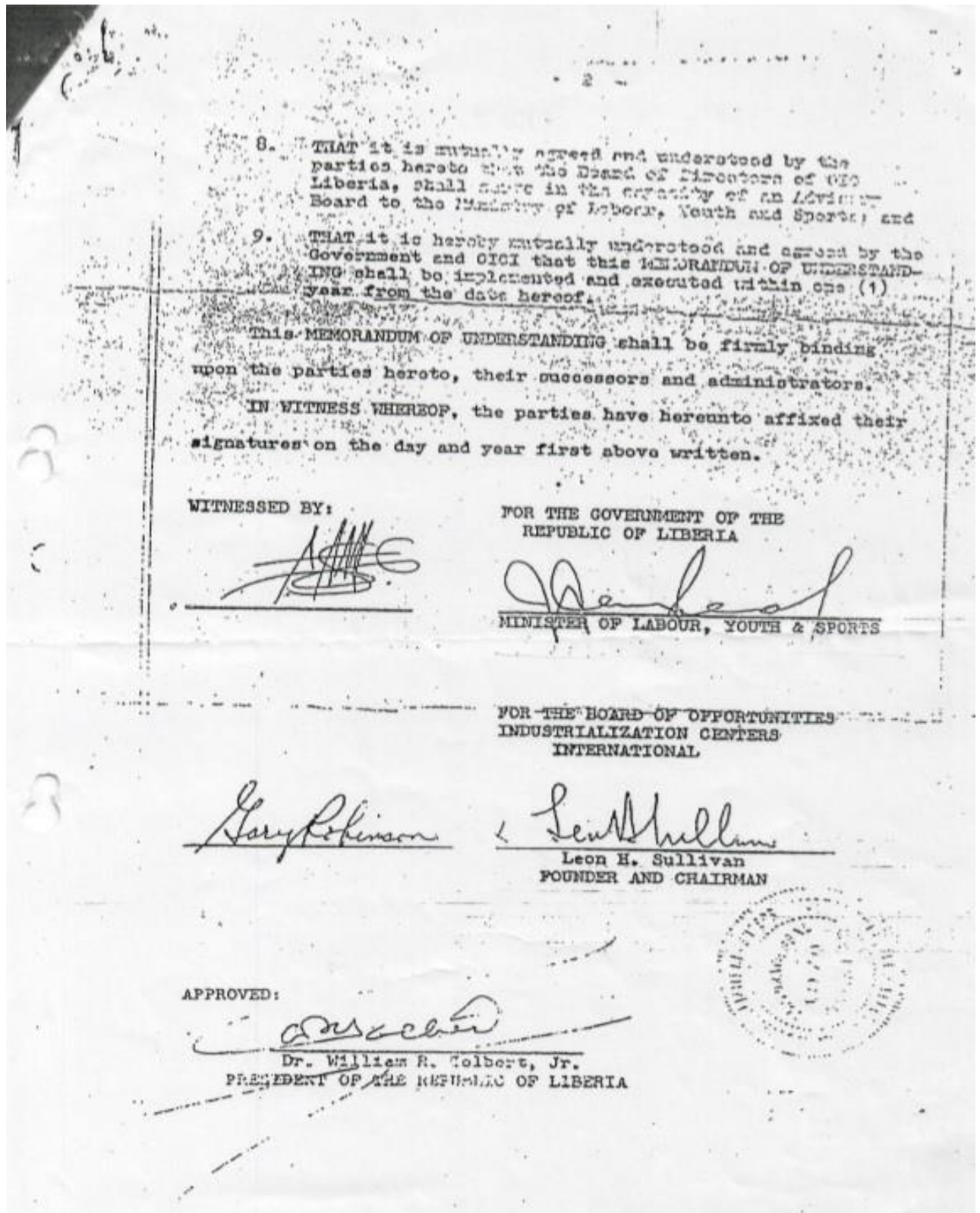


Exhibit 4

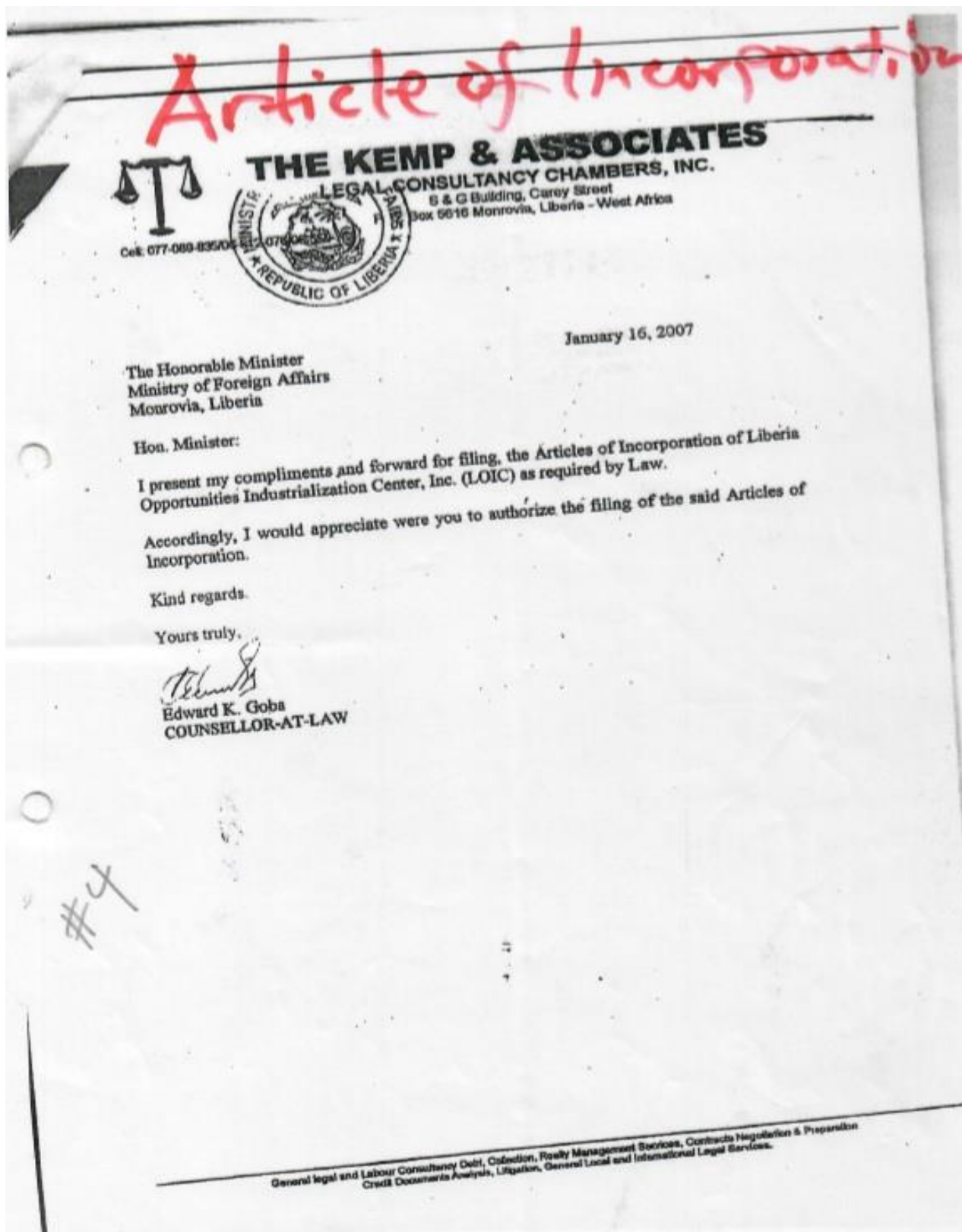


Exhibit 4a

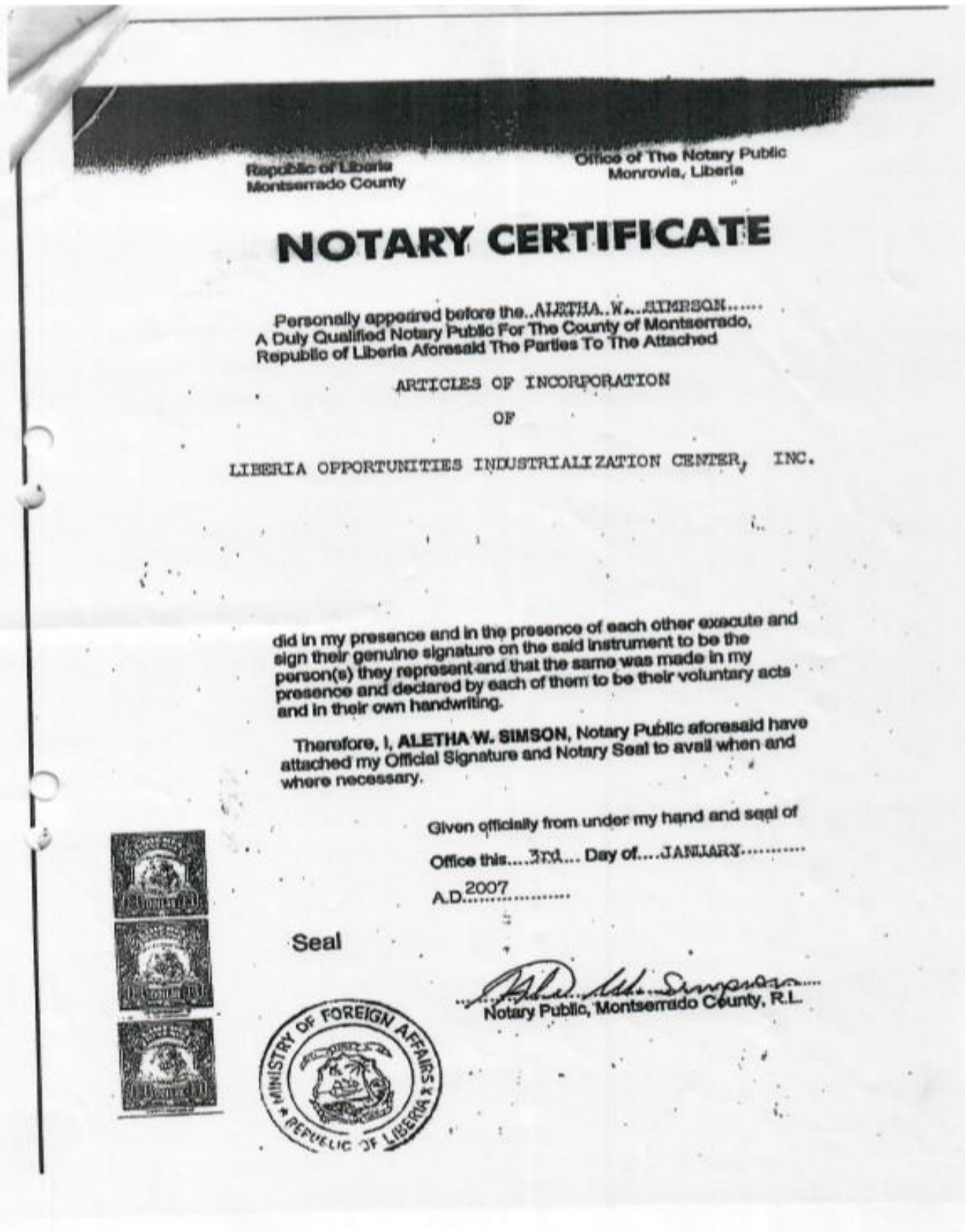


Exhibit 4b

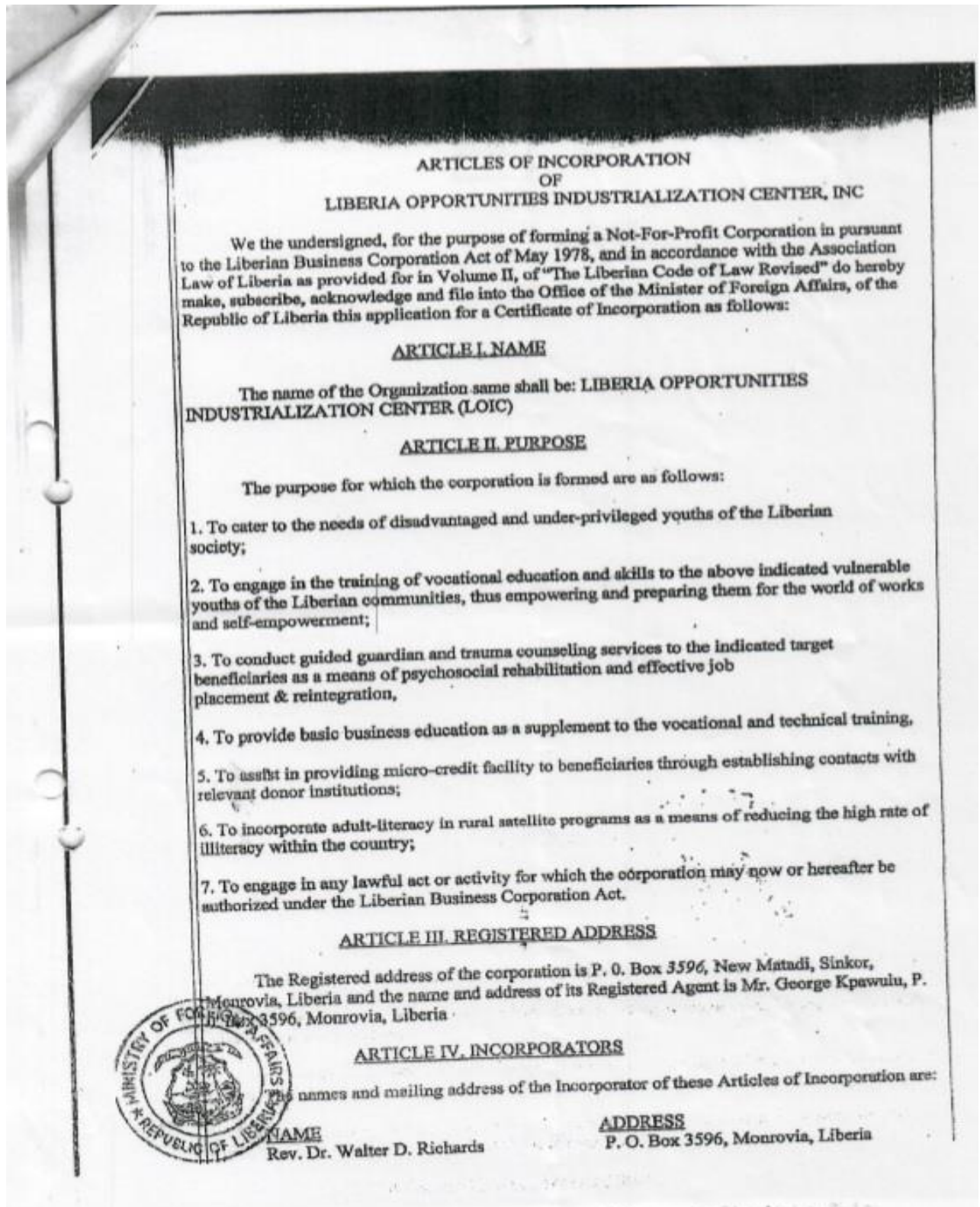


Exhibit 4c

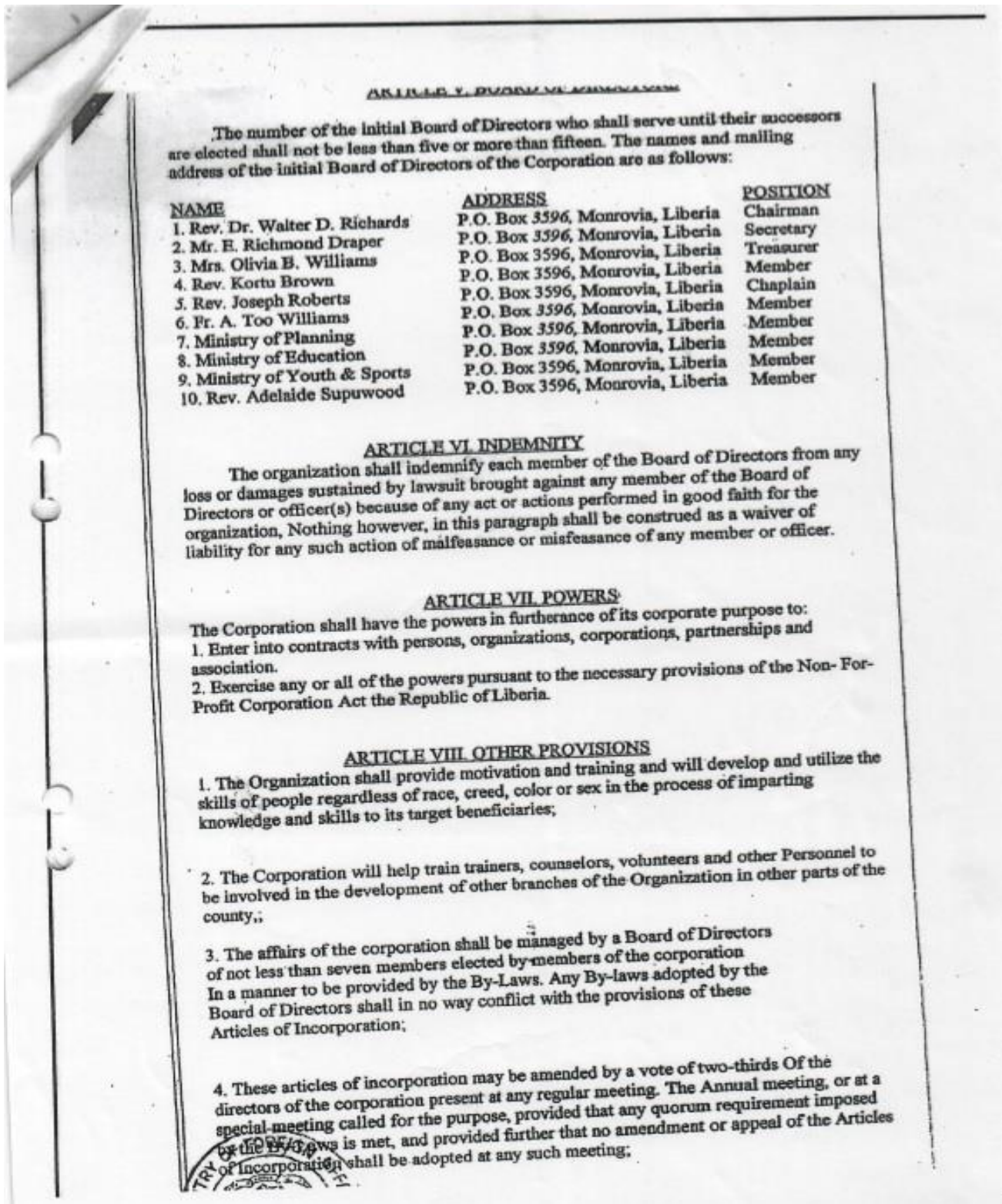


Exhibit 4d

...of incorporation to the
 ... as a community based organization and shall be
 maintained as non-political in all of its activities and undertakings.

ARTICLE IX. DURATION

The corporation shall have perpetual existence, but may be dissolved in accordance with the Business Corporation Law of the Republic of Liberia.

ARTICLE X. CORPORATE EXISTENCE

The existence of the Corporation shall begin upon the filing of these Articles of Incorporation in the office of the Minister of Foreign Affairs of the Republic of Liberia.

ARTICLE XI. INITIAL CORPS OF OFFICERS

The initial corps of officers of the Corporation who shall be responsible to run the day-to-day affairs of the Corporation are:

NAME	POSITION	ADDRESS
1. George Kpawulu	Executive Director	P.O. Box 3596, Monrovia, Liberia
2. Solomon D. King, Sr.	Deputy Executive Director	P.O. Box 3596, Monrovia, Liberia
3. Gbakanama J. Gbamokollie, Sr.	Finance Director	P.O. Box 3596, Monrovia, Liberia

IN WITNESS WHEREOF, we have subscribed and acknowledged this instrument this 3rd day of January A. D. 2007.

IN THE PRESENCE OF:

[Signature]
[Signature]
[Signature]

INCORPORATORS:

[Signature]
 Rev. Dr. Walter D. Richards

[Signature]
 E. Richmond Draper

[Signature]
 Mrs. Oliyia B. Williams

\$12.00 Revenue Stamps affixed on the original.

MINISTRY OF FOREIGN AFFAIRS




Exhibit 4e

**Liberia Opportunities Industrialization Center
LOIC
Senior Management Staff Listing**

Year 2012

A. National Office

NO	NAME	POSITION	SEX
1	Solomon D. King, sr.	National Executive Director	M
2	Ellis I. S. Kiazolu, Sr.	Finance Director	M
3	Daniel C. Gayedyu, Sr.	Internal Auditor	M
4	J. Clarence C. Blapoo	Program Officer	M
5	Preston P. Jackson	Personnel Director	M
6	Samuel K. Baker, Sr.	Dept. Finance Director	M
7	Rebekah M. Bertsche	Counseling Coordinator	F
8	Angela T. Reffell	Executive secretary	F
9	Marline Cooper	Finance Assistant	F
10	Wilson G. Moore	Procurement Officer	M
11	David Nyema	Chief Security	M

Auditor General's Report on the Operations and financial transactions
Of the Liberia Opportunities and Industrialization Center (LOIC)
For the Fiscal Year ended June 30, 2015

Exhibit 5

LIBERIA OPPORTUNITY INDUSTRIALIZATION CENTER
Fixed Assets Register
For Fiscal Year 2015

#7

S/N	Description of Assets	Classification of Assets	Date of Purchase	Date Put in Use	Cost US\$	Accumulated Depreciation US\$	Net Book Value US\$	Estimated Useful Life	Depreciation Method	Funding Source	Assigned Unit	Assigned Person	Location	Internal Code	Serial/Chassis/Model No.	Condition
1	LOIC Head Office	Building	1984	1984	1,103,018.00	375,026.12	727,991.88	100 yrs	Straight Line	USAID			New Metadi			Good
2	Production services Unit	Building	1984	1984	500,000.00	170,000.00	330,000.00	100 yrs	Straight Line	USAID			New Metadi			Good
3	Practice Staff	Building	1984	1984	45,000.00	15,700.00	29,300.00	100 yrs	Straight Line	USAID			New Metadi			Good
4	Fence/Generator Rm/Parking Area	Fence Etc	1984	1984	15,000.00	5,100.00	9,900.00	100 yrs	Straight Line	USAID			National Office			Good
5	Foya Compound	Building	1984	1984	350,000.00	119,000.00	231,000.00	100 yrs	Straight Line	USAID			Lofa			Good
6	Buchanan Compound	Building	1995	1995	500,000.00	115,000.00	385,000.00	100 yrs	Straight Line	CHEVRON			Buchanan City			Good
7	Ganta Compound	Building	1997	1997	30,000.00	10,500.00	19,500.00	100 yrs	Straight Line	USAID			Ganta City			Good
8	Senje Compound	Building	2000	2000	425,000.00	76,500.00	348,500.00	100 yrs	Straight Line	USAID			Ganta City			Good
9	Gharriga Compound	Building	2010	2010	75,000.00	6,000.00	69,000.00	100 yrs	Straight Line	EED			Cape Mt.			Good
	Sub-Total				3,063,018.00	892,826.12	2,170,191.88						Gbanga City			Good
	18.5 Acres/Head Office	Land	1984	1984	20,400.00	-	20,400.00	-	-	USAID			New Metadi			Good
	2408 Acres Foya	Land	1984	1984	40,800.00	-	40,800.00	-	-	USAID			Lofa			Good
	227 Acres Senje Satellite	Land			2,700.00	-	2,700.00	-	-							Good
	8 Acres Buchanan Satellite	Land			800.00	-	800.00	-	-							Good
	227 Acres Gharriga Satellite	Land			2,700.00	-	2,700.00	-	-				Buchanan City			Good
	427 Acres Ganta Satellite	Land	1984	1984	2,700.00	-	2,700.00	-	-	USAID			Gbanga City			Good
	725 Acres River Gen	Land			2,500.00	-	2,500.00	-	-	USAID			Ganta City			Good
	Sub-Total				72,600.00	-	72,600.00						River Gen			Good
	1 Photo-Copier HDV IR 2420	Office Equip	2013	2013	1,150.00	1,150.00	-	3 yrs	Straight Line	LOIC/GOL	Finance					
	2 Desk Top computer	Office Equip	2011	2011	825.00	825.00	-	3 yrs	Straight Line	LOIC/GOL	Finance				LOIC/POE-03	
	3 Cannon Printer MF4410	Office Equip	2011	2011	365.00	365.00	-	5 yrs	Straight Line	LOIC/GOL	Finance				LOIC/POE-08	
	4 Computer Laptop	Office Equip	2011	2011	825.00	825.00	-	3 yrs	Straight Line	LOIC/GOL	Finance				LOIC/POE-02	
	5 Cannon Printer MF4410	Office Equip	2011	2011	365.00	365.00	-	5 yrs	Straight Line	LOIC/GOL	TA				LOIC/IAE-01	
	6 Laser Jet 100 Printer	Office Equip	2011	2011	365.00	365.00	-	5 yrs	Straight Line	LOIC/GOL	F Dir				LOIC/IAE-02	
	7 Laser Jet 100 Printer	Office Equip	2013	2013	1,550.00	1,550.00	-	5 yrs	Straight Line	LOIC/GOL	Ex. Dir				LOIC/PVE-01	
	8 Laser Jet 100 Printer	Office Equip	2013	2013	1,550.00	1,550.00	-	5 yrs	Straight Line	LOIC/GOL	Ex. Dir				LOIC/INEDE-01	
	9 72 KVA Generator	Equipment	2011	2011	17,000.00	11,900.00	5,100.00	10 yrs	Straight Line	LOIC/GOL	Natl Office				LOIC/DND-01	
	10 Cannon Printer MF4410	Office Equip	2011	2011	365.00	365.00	-	5 yrs	Straight Line	LOIC/GOL	Ex. Sec.				LOIC/Ex-Sec/E-01	
	Sub-Total				25,545.00	20,000.00	5,545.00									

1.2.4

Exhibit 5a

1	2009-Nissan Sedan A217811	Vehicle	2019	2019	1,626.56					LOIC	Man/Prog			National Office		Fair
2	2011-Toyota Land Cruiser SUV	Vehicle	Donated	Donated							Ex. Dir			National Office		Fair
3	2001 Toyota Land Cruiser SUV	Vehicle	Donated	Donated							Ex. Dir			National Office		Fair
4	1996-Nissan Navara Pickup	Vehicle	2015	2015	26,000.00	19,499.97	6,500.03	3 yrs	Straight Line	BPW	Gbanga		Gharriga	Gharriga Satellite		Damaged
5	2014 Nissan NP 300 Pickup	Vehicle	2015	2015	26,000.00	19,499.97	6,500.03	3 yrs	Straight Line	BPW	Senje		Senje	Senje Satellite		Damaged
6	1996-Toyota Tundra Pickup	Vehicle	2012	2012	12,500.00	12,500.00	-	5 yrs	Straight Line	LOIC	National Off.			National Office		Damaged
7	2011-Mercedes Benz Truck	Vehicle	Donated	Donated							National Off.			National Office		Fair
8	2009 Nissan Pick up	Vehicle	Donated	Donated							National Off.			National Office		Fair
	Sub-Total				66,126.56	51,499.94	13,000.06							Buch. Satellite		Fair
1	Office Desk	Furniture								USAID				USAID/P9F-01		
2	Office Desk	Furniture								USAID				USAID/P9F-02		
3	Office Desk	Furniture								USAID				USAID/P9F-03		
4	Office Desk	Furniture								USAID				USAID/P9F-04		
5	Office Desk	Furniture								USAID				USAID/P9F-05		
6	Office Desk	Furniture								USAID				USAID/P9F-01		
7	Office Desk	Furniture								USAID				USAID/P9F-02		
8	Official Chair	Furniture								USAID				USAID/NEDF-01		
9	Official Chair	Furniture								LOIC/GOL				LOIC/NEDF-01		
10	Official Chair	Furniture								LOIC/GOL				LOIC/NEDF-02		
11	Official Chair	Furniture								LOIC/GOL				LOIC/NEDF-03		
12	Office Desk	Furniture	Donated	Donated						LOIC/GOL				LOIC/NEDF-04		
1	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC/Ex-Sec/E-01		
2	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC/POE-12		
3	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC/FDE-04		
4	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC/IAE-03		
5	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC-LIBRARY		
6	Split Unit	Air Conditioner	2010	2010						LOIC/GOL				LOIC-LIBRARY		
7	Window Air conditioner	Air Conditioner	Donated	Donated						LOIC/GOL				LOIC-Board Rm		
														LOIC/Ex Sec		



Exhibit 6

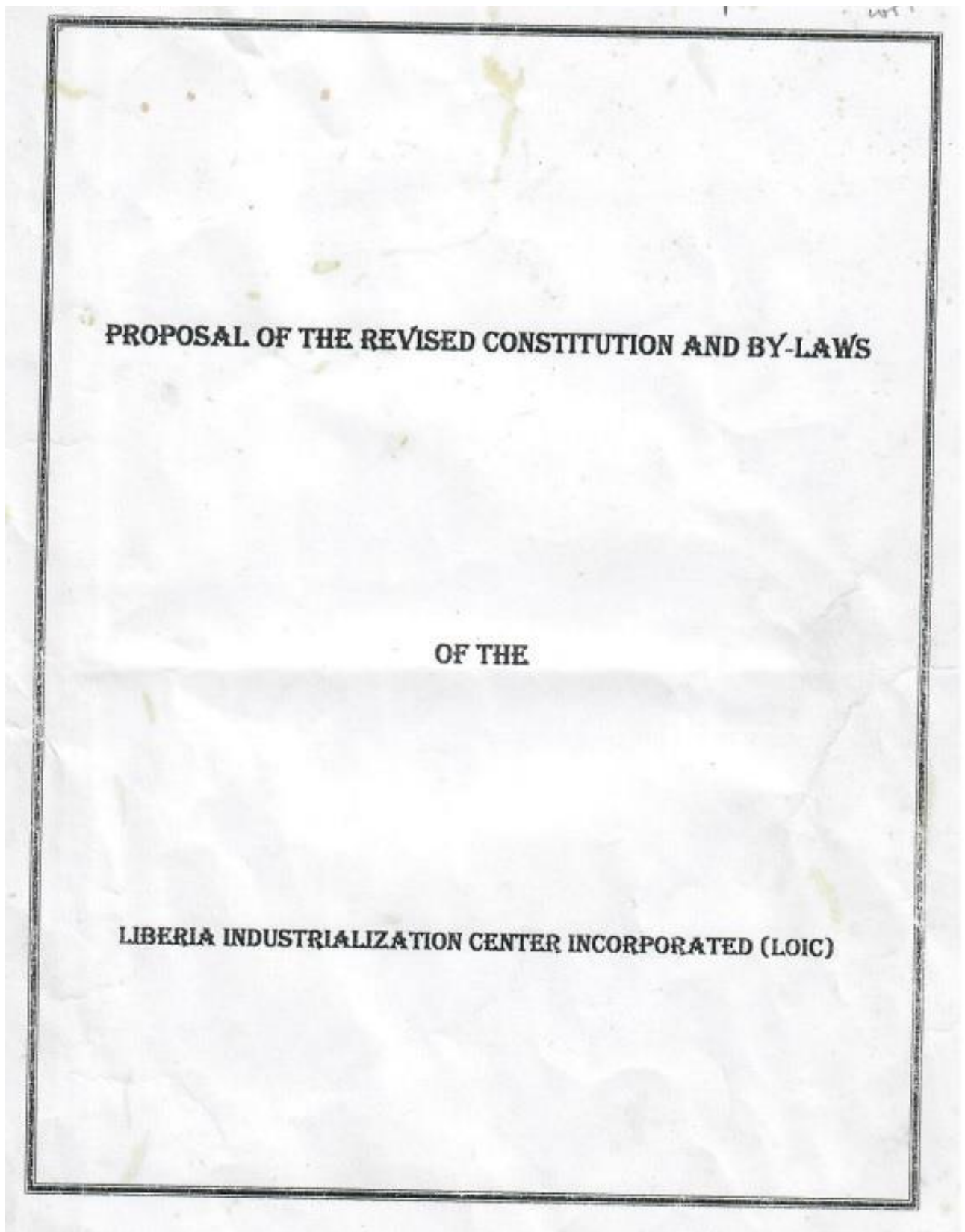


Exhibit 6a

PROPOSAL OF THE REVISED CONSTITUTION AND BY-LAWS OF THE LIBERIA OPPORTUNITIES INDUSTRIALIZATION CENTER

PREAMBLE

We are a non-profit Corporation interested in the well being and development of the underdeveloped human resources of our community and nations, in an attempt to combat and alleviate some of the resulting social problems, we are desirous of developing the National Opportunities Industrialization Center in Liberia, in keeping with the basic philosophy of the OIC International.

Opportunities Industrialization Center is a non-profit making Corporation established for purpose of developing and utilizing the technical skills of members of our community regardless of race, color, creed, sex or sect; and to induct and motivate the trainees in industrial agriculture and commercial discipline so as to enable them to make productive contributions to the development of the Liberian Economy.

This non-profit Corporation is not designed to gain any pecuniary benefit for its Board Members. However a reasonable transportation shall be provided on a quarterly basic. It is further agreed that the aims and objectives of this Corporation are to be carried out in consonance with the laws governing the operation of such Corporations within the Republic of Liberia.

Exhibit 6b

ARTICLE I

This Corporation shall be named and known as the Liberia Opportunities Industrialization Center, Incorporated (LOIC).

ARTICLE II

AIMS AND OBJECTIVES

The Liberia Opportunities Industrialization Center is a non-profit Corporation established in order to make available a community program of industrial training, re-training, and placement in order that disadvantaged citizens may be properly motivated and trained to become more aware of their productive abilities and more directly involved in the economic mainstream of the community and the nation.

ARTICLE III

MOTTO

The motto of LOIC shall be; "Helping Others to Help Themselves".

ARTICLE IV

HEADQUARTERS

The National Headquarters shall be established and located in Monrovia, Liberia.

ARTICLE V

MEMBERSHIP

Section 1: Membership of LOIC shall consist of all local LOIC branches, other OIC program Units in Liberia and interested individuals of good character, and organizations in the Republic of Liberia.

Section 2: Each member shall be required to pay dues of such levied as may be agreed upon from time to time.

Section 3: An annual General Meeting of the Corporation for the transaction of business shall be held at least 3 months before the end of the fiscal year at the office of the national headquarters, or at such other place and hour as the Directors shall appoint.

Exhibit 6c

ARTICLE VIII

Section I: the registered address of the Liberia OIC shall be:

Liberia OIC, Inc.
P.O.Box 3596
Monrovia, Liberia

ARTICLE IX

Section I: in the event that this non-profit making Corporation for any reason should cease to exist or function, by voluntary or involuntary dissolution, upon approval of the Government of Liberia any and all of its assets shall be transferred or assigned to another non-profit making Corporation which has been established and operated exclusively for charitable, literacy, religious or educational purposes as shall be decided by the Board of Directors.

ARTICLE X

ADMENDMENTS

Section I: These By-Laws may be altered or amended at the Quarterly/Special General Meeting of the Board of Directors by a two-third (2/3) majority vote of the members present and voting, provided that a written notice setting forth especially the proposed amendments be circulated to each member of LOIC at least sixty days in advance of the date of such a meeting.

Done in the Board Room of the Liberia Opportunities Industrialization Center (LOIC), April 27, 1989.

THE COMMITTEE MEMBERS

1. Mrs. C. Leona Chesson.....Chairperson
2. Rev. Fr. J. Jellice Bright.....Member
3. Mrs. Jessie H. Togba..... "
4. Mr. Joseph T. Ketter..... "
5. Mr. Jonathan L. Harmon..... "
6. Mr. E. Richmond Draper..... "
7. Counselor Foday J. Massaquoi..... "
8. Mr. Albert B. Coleman..... "