

AUDITOR GENERAL'S REPORT



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

For the Fiscal Year ended June 30, 2016

January 2021

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

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Acronyms Used

Acronyms/Abbreviations	Meaning
/Symbol	
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, 2016. 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 the following:

- ➤ Opportunities Industrialization Center (LOIC). These issues can be categorized as follows: Management paid a total of US\$11,794.00 from the Bread for the World (BfW) Fund for training materials and computers in the names of LOIC employees instead of the vendors.
- ➤ Management paid the total amount of US\$40,000.00 for training materials without use of the competitive procurement method

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.

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

OFLIBERIA

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, 2016.

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, 2016 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 Qualified 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: Management paid a total of US\$11,794.00 from the Bread for the World (BfW) Fund for training materials and computers in the names of LOIC employees instead of the vendors.

Management paid the total amount of US\$40,000.00 for training materials without use of the competitive procurement method.

Qualified Conclusion

Based on the work performed, except for the issues described in the basis for qualified conclusion paragraphs above, nothing has come to our attention that causes us to believe that the operations and financial transactions of the Liberia Opportunities Industrialization Center (LOIC) is not in compliance, in all material respects, with stated laws and regulations for the Fiscal Year ended June 30, 2016.

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 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, 2016.

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.

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

OFLIBERIA

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, 2015 to June 30, 2016 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 LOIC 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 Blapooh	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 2016.

Audit Scope

The scope of the audit covered the period from July 1, 2015 to June 30, 2016 with specific samples of available financial instruments that are Operations and financial transactions related taken into consideration.

Objectives of the Audit

The main objective of the audit is to gather sufficient appropriate audit evidence to conclude whether the operations and financial transaction of the Liberia Opportunities Industrialization for the period July 1, 2015 to June 30, 2016 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 B.28 of the PFM Act of 2009
- Regulation P.10 (c) of the PFM Act of 2009
- Furthermore, PART V Section 46 (1 & 3)
- Regulation A.3 (1) 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.3 (1-2) of the PFM Act of 2009
- Regulation T.16 of the PFM Act of 2009
- Part IV 40 (1 & 2) of the Public Procurement and Concession (PPCC) Act of 2005 amended and restated in 2010
- Regulation D.16.1 of the PFM Act of 2009
- Regulation K.10 of PFM Act of 2009
- Regulations K.11 (1), of the PFM Act 2009 (a)
- 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 INTOSAIs 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 of 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 Third Party Payments

Observation

- 1.1.1.1 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".
- 1.1.1.2 It was observed during the audit that the LOIC Management paid a total of US\$11,794.00 from the Bread for the World (BfW) Fund for training materials and computers in the names of LOIC employees instead of the vendors. **See Table 1 below for details**.

Table 1: Payments for Vendors made in the name of Staff of LOIC

Table 1. Fayinenc	3 IOI Vendors mad	e in the hanne of Staff of LOIC	•		
Date	Payee/name of employee	Description	Vou. #	Ck. #	Amount US\$
August 13, 2015	Kewon S. Cortee	Local Training materials for	5917	00215242	
		gbarnga satellite.			632.00
August 26, 2015	Kewon S. Cortee	Payment to purchase ten used	5928	00356703	
		computers for Gbarnga			
		Satellite			3,000.00
August 26, 2015	Kewon S. Cortee	Local Training material	5927	00356702	
		Gbarnga satellite			3,380.00
August 28, 2015	Assatu M.	Local Training Material Sinje	5929	00356704	
	Massalay	Satellite			3,872.00
September 15,	Assatu M.	One used desk top computer	5931	00356706	
2015	Massalay	and one LaserJet printer.			910.00
Total					11,794.00

1.1.1.3 it was further observed that Management paid US\$8,160.00 to Madam Asatu M. Massalay as salaries for Sinje Satellite for the months of June, July and August 2015 and paid US\$9,514.00 to Mr. Kewon S. Cortee as salaries for Gbarnga Satellite for the same period (June, July and August 2015) instead of making the payments in the name of individual staff. **See table 2 below for details:**

Table 2: Two bulk Payments made in the name of single employee's name

Date	Employee Name	Descriptions	Voucher #	Check #	Amount US\$
August 13, 2015	Assatu M. Massalay	Net Salary	5920	002152248	8,160.00
August 13,2015	Kewon S. Cortee	Net Salary	5919	00215243	9,514.00
Total					17,674.00

Risk

1.1.1.4 Making payment intended for vendors to staff without any written authorization could lead to diversion of the payments and/ or misappropriation.



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

Recommendation

- 1.1.1.6 The LOIC Management should provide substantive justification backed by material evidence for making payments in the names of individuals other than the vendors or service providers.
- 1.1.1.7 Management should also 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

- 1.1.1.8 Payments through Accountants for local purchases which include local materials (Accountants receive cash advances and make liquidation reports). Additionally, these are for materials purchased from several sellers at the respective Project areas who require cash payments.
- 1.1.1.9 LOIC's activities are project based and time bond, we find it very difficult to pay these staff through the banking system because it takes a lot of time and resources for the staff to run after their salaries as compared to one Finance Officer who will en-cash the check and pay the staff at a central point.

Auditor General's Position

1.1.1.10 Management did not address the issue. Management did not provide any evidence of a written authorization to permit Madam Asatu M. Massalay and Mr. Kewon S. Cortee to receive the salaries on behalf of its employees. Management should ensure that all employees do written communication to authorize the Satellites accountants or designated officer to receive their salaries. Therefore we maintain our finding; and management is in breach of Regulation B.28 of the PFM Act of 2009.

1.1.2 Non-Competitive Procurement of Goods and services

Observation

- 1.1.2.1 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).
- 1.1.2.2 Furthermore, 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."

1.1.2.3 It was observed during the audit that the LIOC Management paid the total amount of US\$40,000.00 for training materials without use of the competitive procurement method. **See Table 3 for details.**

Table 3: Transactions without evidence of the tender or quotation process

Date	Payee	Description	Vou. #	LPO #	Check #	Amount US\$
14- Mar.	Building Material	Training Materials	5726	-	000113120	
2016	Center					40,000.00
Total						40,000.00

Risk

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

Recommendation

1.1.2.5 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

1.1.2.6 There is a purchase agreement between LOIC and Building Material Center, please see attached copy of Purchase Agreement between LOIC and BMC (15th of January 2015 to 14th of January 2016).

Auditor General's Position

- 1.1.2.7 Management did not address the issue raised; the use of a standing purchase agreement between LOIC and Building Material Center as a basis for procuring goods and services is not materially supported. Each fiscal year stands alone and there should be an annual procurement plan that is approved by the PCC.
- 1.1.2.8 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 and PART V Section 46 (1 & 3) of the Amended and Restated Public Procurement and Concessions Act of 2010. We therefore maintain our finding.



1.1.3 Unrecorded Invoice and Purchase Order Numbers

Observation

- 1.1.3.1 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."
- 1.1.3.2 It was observed during the audit that fourteen (14) payment vouchers with total value of US\$17,971.81 were processed and paid without recording the purchase order numbers and invoice numbers on the payment vouchers. **See table 4 below for details:**

Table 4: Schedule of payment Vouchers not completely filled - in

	leadie of payme		No	No			
Date	Payee	Description	Purchase Order	Vendor Invoice	Vou. #	Checks	Amount US\$
			Number	Number			
August 13,	Super Petroleum	Utilities Expense	Not	Not	5916	00215241	
2015			provided	provided			2,200.20
August 13,	Samuel K.	National Office	Not	Not	5921	00215245	
2015	Barker	Support	provided	provided			2,400.00
August	Ministry of	Income Tax	Not	Not	5922	00215246	
13,2015	Finance		provided	provided			687.03
August 13,	National Social	National Social	Not	Not	5923	00215247	
2015	Security	Security	provided	provided			
	Cooperation	Contributions					1,467.08
August	Preston P.		Not	Not	5925	00215249	
18,2015	Jackson		provided	provided			500.00
August 26,	J. Clarence	Staff	Not	Not	5926	00356701	
2015	Blaporh and	Development	provided	provided			
	Kewon S. Cortee	Workshop					600.00
September	Sunny Brother	Training	Not	Not	5935	00356709	
15, 2015	Inc.	Materials	provided	provided			
		(T/Mats)					1,530.00
September	Sport Place Bus.	Training	Not	Not	5932	00356707	
15, 2015	Center.	Materials	provided	provided			
		(T/Mats)					544.00
September	Samuel K.	Other	Not	Not	5944	00356717	
15, 2015	Barker	miscellaneous	provided	provided			2,000.00
September	Office Ideas	Training	Not	Not	5940	00356715	
15, 2015		Materials	provided	provided			
		(T/Mats)					582.00
September	Jamil M. Scaff	Training	Not	Not	5938	00356713	
15, 2015	Store	Materials	provided	provided			
		(T/Mats)					584.50
September	Sdiky D. Fillah	Training	Not	Not	5937	00356718	
15, 2015		Materials	provided	provided			1,041.5

Promoting Accountability of Public Resources



Date	Payee	Description	No Purchase Order Number	No Vendor Invoice Number	Vou. #	Checks	Amount US\$
		(T/Mats)					
September	Sethi Brothers	Training	Not	Not	5936	00356711	
15, 2015	Inc.	Materials	provided	provided			
		(T/Mats)					2,925.50
September	Assatu M.	Training	Not	Not	5931	00356706	
15, 2015	Massalay	Materials	provided	provided			
		(T/Mats)					910.00
Total							17,971.81

Risk

1.1.3.3 The failure to record the purchase order and invoice numbers may result to duplication of payments and could lead to the loss of funds.

Recommendation

1.1.3.4 Management of the LOIC should provide substantive justification backed by material evidence for omitting the Local Purchase Order and invoice numbers on the payment vouchers.

Management's Response

1.1.3.5 Management acknowledges the findings/observation and will implement the recommendation

Auditor General's Position

- 1.1.3.6 We acknowledge Management's acceptance of our audit finding and recommendation.
- 1.1.3.7 Going forward, Management should ensure that the purchase order and invoice number are recorded on the voucher for each of reference.
- 1.1.3.8 We will make a follow up on the implementation of our audit recommendation during subsequent audit; however, 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 Entity 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 LOIC 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 OICI 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. Therefore, we maintain our finding and recommendation.

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 that by-laws and constitution are not signed and only approval date of adoption / approval and the names of the committee members are required is incorrect. 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.



1.2.3 Lands and other Properties not included on Fixed Asset Register

Observation

- 1.2.3.1 Regulation V.3 (1-2) of the PFM Act of 2009 states that "(1) The Head of government agency shall be responsible for maintaining a register of Lands and Buildings under his control or possession as prescribed by the General Services Agency Act. (2) The Register of Lands and Buildings shall record the mirrored details from the General Services Agency of each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease terms, maintenance contracts and other pertinent management details."
- 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: **See exhibit 5 for details of Fixed Asset Register.**
 - 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 The LOIC Management should also provide substantive justification backed by material evidence for not instituting preventive mechanism to eliminate theft, wastage and misuse.
- 1.2.3.8 Further, LOIC Management should ensure that the lands are all included on the fixed asset register of the entity.
- 1.2.3.9 The LOIC Management should further provide substantive justification backed by material evidence for not designing and implementing procedures to ensure the effective, efficient and economical use of the fixed assets.



1.2.3.10 Additionally, the LOIC should design plans and procedures that will ensure the effective, efficient and economical use of the entity's fixed assets.

Management's Response

1.2.3.11 We have acknowledged the findings and will adhere to audit recommendation

Auditor General's Position

- 1.2.3.12 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 Center for National Documents and Records Agency (NCDRA) to retrieve copy of the deed.
- 1.2.3.13 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.
- 1.2.3.14 However, management is in breach of Regulation V (2-3) of the PFM Act of 2009.

1.2.4 Staffs on payroll and not on Personnel listing

Observation

- 1.2.4.1 Regulation T.16 of the PFM Act of 2009 states that "A head of government agency or a head of management unit shall examine and certify the personnel emolument payment vouchers to ensure that (a) only staff belonging to the unit are on the payment vouchers"
- 1.2.4.2 It was observed during the conduct of the audit that two names D. Emmanuel Prout and David Garbo with a total salary of L\$127,400.00 and L\$36,400.00 respectively, appeared on the LOIC payroll for the months of March, April, May and June 2016 but the names were not reflected on the personnel listing. **See table 8 below for details.**

Table 8: Schedule of staff on Payroll but not on Personnel Listing

Last Name	Position	Location	Monthly salary L\$	Four (4) months total L\$
D. Emmanuel Prout	Welding Fabricant	Buchanan Satellite		
	Instructor		31,850.00	127,400.00
David Garbo	Yard man	Buchanan Satellite	9,100.00	36,400.00
Totals			40,950.00	163,800.00

Risk

1.2.4.3 Payments to staff who appeared not to be employees of the entity could lead to wasteful expenditure or ghost employees and loss of public funds.



Recommendation

1.2.4.4 The Management of LOIC should provide substantive justification backed by material evidence for maintaining and paying individuals who names are not on the personnel listing.

Management's Response

1.2.4.5 The 2 individuals listed on the payroll of the LOIC for four (4) months were contractor employees of LOIC and rendered their services to the program for which they were paid as such. Regrettably, their names were not on the personnel listing present to the Auditors. See attached copies of their contract letters.

Auditor General's Position

- 1.2.4.6 We acknowledge Management's acceptance of our finding. Management is required to enlist all employees on the personnel listing before placing their names on the payroll for control purposes.
- 1.2.4.7 Going forward, Management should ensure that the personnel listing matches with the payroll. Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.2.5 No Procurement Plan

Observation

- 1.2.5.1 Part IV 40 (1 & 2) of the Public Procurement and Concession (PPCC) Act of 2005 amended and restated in 2010 states that "(1) All Procuring Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act. (2) For each fiscal year the Procurement Unit shall 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. The plan shall include:
 - A brief description of each planned procurement contract;
 - The estimated cost of each planned procurement contract;
 - The procurement method to be used; and
 - Processing steps and time schedules".
- 1.2.5.2 During our review of procurement activities at the LOIC for the Fiscal Year 2015/16, there was no evidence of an approved procurement plan for the period under Audit.

Risk

- 1.2.5.3 The awarding of contracts could be left to the discretion of procurement entity.
- 1.2.5.4 Cost of procurement contract may be arbitrarily assigned in the absence of planned estimated cost.



Recommendation

1.2.5.5 The LOIC Management should provide substantive justification for carrying out procurement without a procurement plan.

Management's Response

1.2.5.6 The finding is true. Management will adhere to the Auditors' recommendation

Auditor General's Position

- 1.2.5.7 We acknowledge the acceptance of our audit finding. Management should ensure that annual procurement plan are submitted to and approve by the PPCC. We will make a follow up on the implementation of our audit recommendation during subsequent audit.
- 1.2.5.8 Management is in breach of Part IV 40 (1 & 2) of the Public Procurement and Concession (PPCC) Act of 2005 amended and restated in 2010.

1.3 Internal Controls Issues

1.3.1 Operating without Financial Manual

Observation

- 1.3.1.1 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."
- 1.3.1.2 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

- 1.3.1.3 Duties to be performed by account personnel could be left to the discretion of account officers.
- 1.3.1.4 Management may not be able to properly regulate the conduct of financial matters at the entity.

Recommendation

- 1.3.1.5 Management of the LOIC should provide substantive justification backed by material evidence for conducting the financial affairs of the entity without an accounting manual.
- 1.3.1.6 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

1.3.1.7 We acknowledge this. Management realizes the need and necessity.

Auditor General's Position

1.3.1.8 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.

1.3.2 Budget Committee

Observation

- 1.3.2.1 PFM 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)".
- 1.3.2.2 During the audit, we observed that the LOIC Management did not establish a budget committee.

Risk

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

Recommendation

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

Management's Response

1.3.2.5 We acknowledge the findings and will implement audit recommendations

Auditor General's Position

1.3.2.6 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.

1.3.3 Audit Committee

Observation

- 1.3.3.1 Regulation K.10 of the 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".
- 1.3.3.2 In addition, PFM Regulations K.11(1) of 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.



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

Risk

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

Recommendation

1.3.3.5 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

1.3.3.6 We have acknowledged the findings and will adhere to audit recommendations

Auditor General's Position

- 1.3.3.7 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.
- 1.3.3.8 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

1.3.4 No Evidence of Risk Assessment

Observation

- 1.3.4.1 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.
- 1.3.4.2 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

1.3.4.3 The absence of a documented risk assessment by the LOIC indicates that Management would not be able to identify and analyze risks the entity's faces.



Recommendation

1.3.4.4 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

1.3.4.5 We acknowledge the findings and will implement audit recommendations

Auditor General's Position

1.3.4.6 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.

1.3.5 Disaster Recovery Plan

Observation

- 1.3.5.1 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.
- 1.3.5.2 During the audit we observed that there was no evidence that Management put in place a Disaster Recovery Plan to help recover transaction data and information in instances of disasters.

Risk

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

Recommendation

1.3.5.4 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

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

Auditor General's Position

1.3.5.6 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.



ACKNOWLEDGEMENT

1.4 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.

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

Monrovia, Liberia January 2021



EXHIBITS

Exhibit 1



A-1

AN ACT TO INCORPORATE THE LIBERIA OPPORTUNI-TIES INDUSTRIALIZATION CENTER, MONROVIA, LIDERIA

It is enacted by the Senate and House of Representatives of the Republic of Liberia, in Legislature Assembled:

Section 1. The organization consisting of Walter D. Richards, Chairman; A. Doris Banks-Henries, Vice Chairman; E. Richmond Draper, Secretary; E. Toimu A. Reeves. Treasurer; Edwin M. Flowers, Chaplain, and all others who now are and may hereafter become officers and members is hereby constituted a body politic and corporate under the name and style of "THE LIBERIA OPPORTUNITIES INDUSTRIALIZATION CENTER, "Monrovia, Liberia.

Section 2. THE LIBERIA OPPORTUNITIES INDUSTRIALL, ZATION CENTER, shall have perpetual existence and shall have authority to contract, sue and be sund, plead and be impleaded in any court of this Republic having competent jurisdiction; to purchase or otherwise acquire and hold property; real, personal and mixed, up to the value of FIVE MILLION (\$5.000,000,000 DOLLARS.

Section 3. The aims and objectives of the organization shall be:

- To develop a community based program designed to enhance and improve the lower level of manpower;
- To support vocational training and enterprise development activities in keeping with the basic philosophy, aims and objectives of the Opportunities Industrialization Center International (OICI);
- 3. To integrate and co-ordinate its activities with existing manpower 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 Lat. vr., Youth and Sports, and the Opportunities
 Industrialization Center International (OICI) as represented
 by LOIC Board of Directors.

Section 4. The principal Office of THE LIBERIA OPPOR-TUNITIES INDUSTRIALIZATION CENTER, shall be located in the City of Monrovia, Liberia; and it may establish as many other subordinate field offices within the Republic and in foreign countries, as are necessary to carry out effectively its aims and objectives.

Section 5. THE LIBERIA OPPORTUNITIES INDUSTRIA-LIZATION CENTER, is hereby vested with full power and authority to make and establish by-laws and regulations for its governance



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 OPPORTUNTIES 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

Physiperia OIC Vocational Training Program

MEMORANDUM OF AGREEMENT

AGREEMENT, affective this _____ day of January, A.D. 1977,
between the Government of LIBERIA and OPPORTUNITIES INDUSTRIALI
ZATION CENTERS INTERNATIONAL, INC., (hereinafter referred to as
OICI), Philadelphia, Pennsylvania (grantor).

WHEREAS, LIBERIA, especially its larger urban communities is pliqued with high rate of unemployment, low productivity and a largely unskilled labor force, and continues to suffer from acrte shortages of trained workers; and

WHEREAS, OICI, in a spirit of friendship and cooperation promises and agrees to establish in collaboration with the Government of LIBERIA an OPPORTUNITIES INDUSTRIALIZATION CENTER in LIBERIA to accelerate and enhance the lower level of manpower training in LIBERIA; and

WHEREAS, the Government of LIBERIA accepts the proposal as submitted by OICI with amendments contained in this Memorandum of Agreement; and

NOW THEREFORE, the parties here agree as follows:

Exhibit 2a

ARTICLE

The Specific Support Grant

Section 171. The Basis The Basis of this Agreement between the Government of LIBERIA and OICI is the Specific Support Grant document approved by USAID to support vocational training and enterprise development activities referred to in Section 1.2 (The Program) for manpower development in LIBERIA for a period of five (5) years beginning 1977-1981.

Section 1.2 The Program - The Program shall consist of particular manpower training activities undertaken, or caused to be undertaken by OICI in the following areas:

- a. In-take counseling
- b. Pre-vocational (Feeder) training
- c. Group and individual vocational counseling .
- d. Carpentry skill training
- e. Masonry skill training
- f. Plumbing skill training
- g. Electricity skill training
- h. Job development and placement
- i. Entrepreneurial training and management development (E1/MD)
- j. Auto mechanics skill training

Section 1.3 Eligible Activities - Goods and services required to carry out listed activities in Section 1.2 above may be financed under this Grant, subject to the restrictions indicated elsewhere in this Agreement.

Exhibit 2b

ARTICLE

Section 1.4: Effective Dates - The Agreement is effective for five (5) years (beginning 1977 to 1981) and is subject to review and renewal at the end of twelve (12) months based on satisfactory evaluation by OICI and the Government of LIBERIA. Within twelve (12) months full evaluation and program audit will be performed. Modification of this Agreement shall only take place with the mutual concurrence of both OIC INTERNATIONAL and the Government of LIBERIA. Such modification shall be in writing.

ARTICLE II

- Bection 2.1 Covenants The Government of LIBERIA, in consideration of this Grant, hereby covenants and agrees that:
 - a. The Government of LIBERIA explicitly recognizes that this is a jointly financed project with OICI providing supplemental financing for the Program for which it assumes responsibility for successful execution and completion within OICI modus operandi; this being working through an OICI institutionalized community structure which is hereby referred to as the Liberia OIC Board of Directors.
 - b. The Government of LIBERIA prior to program implementation shall provide the following program needs:
 - i. Work Permits for OICI TCT staff and families.
 - ii. Re-entry Visas for OICI TCT staff and families
 - iii. Tax end buty-Free exemption for Program commodition and equipment.

Exhibit 2c

ARTICLE TI

- v. Non-profit and Tax-free status for Program.

 V- Tax write-off for those who contribute to

 LIBERIA OIC Program.
- i. Duty-free entry privileges of automobiles for each TCT staff member.
- vii. Duty-free entry privileges for food and drug items imported for TCT or Program use.
- viii. Exemption from Local Income Tax and Duty for TCT personnel for the life of the Project.
- c. The Government hereby promises and agrees to provide the present facilities at Klay Basic Craft Training Center for Liberia OIC, and the necessary infrastructure for the expansion of Liberia OIC at Klay Basic Craft Training Center.
- d. The Government of LIBERIA shall recognize OICI's right to place the current Klay staff on six months probation to determine if they are suitable for the various positions. In the event that they are not suitable, OICI reserves the right to replace them with qualified personnel.
- e. The Government of LIBERIA will assume responsibility or the food, lodging and maintenance of all boarding trainees at the Klay Institute.

Exhibit 2d

ARTICUT IL

- That it is mutually agreed and understood by OICI and
 Government of LIBERIA that the financial aid which OICI
 receives from USAID Washington, will not interfere or
 syphon away assistance already contemplated for the
 Republic of Liberia under the USAID Program.
- g. The Government of LIBERIA promises and agrees to continue financial support to the entire operations of LIBERIA OIC at the termination of the five (5) year period referred to above.
- h. The Government of LIBERIA and OICI shall cooperate fully to assure that the purpose of the Grant will be accomplished. To this end, the Government of LIBERIA and OICI shall, from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Program and the implementation of activities financed by this Grant.

ARTICLE III

Records, Reports and Inspection

Section 3.1 Maintenance and Audit Records - OICI shall maintain, or cause to be maintained, in accordance with OICI Management Guidelines and Procedures, books and records of all financial and





Exhibit 2e

ARTICLE III

programmatic activity. Usuch books and records shall be adequate to show which

- a: The receipt and disposition made of goods and services acquired with funds disbursed pursuant to this Agreement; and
- b. The current status and progress of the Program.

Such books and records, shall be annually audited by an independent public accountant with a national certification similar or equivalent to a certified public accountant. In addition, such books and records shall be audited or caused to be audited by USAID. In all cases audits will be carried out in accordance with sound auditing standards and shall be maintained for three (3) years after the date of last disbursement.

Section 3.2 Reports -

a. OICI shall submit a report of Program Activities on a semi-annual basis to the Government of LIBERIA.

ARTICLE IV

Miscellaneous

Section 4.1 <u>Communications</u> - Any notice, request or communication given, made or sent by the Government of LIBERIA or OICI pursuant to this Agreement shall be in writing and shall be deemed to have



Exhibit 2f

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.

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



Exhibit 2g

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76.	
IN WITNESS WHEREOF, The Gove	exament of LIBERIA and OICI, each acting
through its respective duly	authorized representatives, have caused
this Egreement to be signed	in their names and delivered as of the
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date and year first written	above.
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FOR THE GOVERNMENT OF THE	OPPORTUNITIES INDUSTRIALIZATION
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Exhibit 3

THE EXECUTIVE MANSION
MINISTER OF STANSION PORTFOLIO
MONROVIA, LIBERIA
EC-801/RT-V

30th May, 1977

Dear Mr. Robinson:

I forward herewith for your attention copies of the Memorandum of Understanding and the Memorandum of Agreement. which have been signed by the President of Liberia and the appropriate officials of Government for the establishment of Opportunities Industrialization Centers (OIC) in Liberia.

The resume of the applicant for the head position of OIC Klay Branch has been reviewed and Government has no objections to this individual assuming the position. I trust that all is well and that the project will begin at the earliest.

With kindest regards, RALLY TIME!

Yours sincerely.

Charles A. Clarke

Mr. Gary Robinson 240 West Tulpehocken Philadelphia, Pennaylvania Zip Code 19144 UNITED STATES OF AMERICA



Exhibit 3a

A MEMORANDUM OF UNITED IN THE CAMBUILD

THIS MEMORANDUM OF UNDESTANDING made and entered into this day of Tanmary, A. D. 1977, by and between the Government of the Republic of Liberia, represented by the Minister of Labour, Youth and Sports (hereinafter referred to as the Government) and the Board of Opportunities Industrialization Centers International (OICI) of the United States of America, represented by its Founder and Chairman Leon H. Sullivan, (hereinafter referred to as the OICI):-

WITNESSETH:

- THAT the Government accepts the proposals as submitted by OICI with the admendments contained in this MEMORANDUM OF UNDERSTANDING;
- 2. THAT OICI hereby promises and agrees to establish in collaboration with the Government, an Opportunities Industrialization Center in Liberia to accelerate and enhance the lower level of manpower training in Liberia;
- 3. THAT OICI shall be integrated into an existing manpower training institute known as the Klay Basic Crafts Training Center, which name could be changed to an appropriate name to be agreed upon;
- 4. THAT OICI and Government agree to jointly finance OIC Liberia; it being further mutually understood and agreed that OICI will provide all necessary equipments for the operation of the Center including technical staff for a period of five (5) years beginning 1977 1981;
- 5. THAT the Government promises and agrees to take over the entire operations of OIC Liberia at the termination of the five (5) years parted referred to above;
- 6. THAT the Government hereby promises and agrees to provide the present facilities at Klay Basic Crafts Training Center for OIC Liberts, and the nationary infrastructure for the expansion of OIC Literts at Klay Basic Crafts, Training Center;
- 7. There it is outually noted and understood by OTGI and lovernment that the dissocial sid which OIGI hopes to get through DEALS Liberia, will not interfere or apphonant associational already contemplated for the Republic of Cherry West, and Time Pro Part

Exhibit 3b

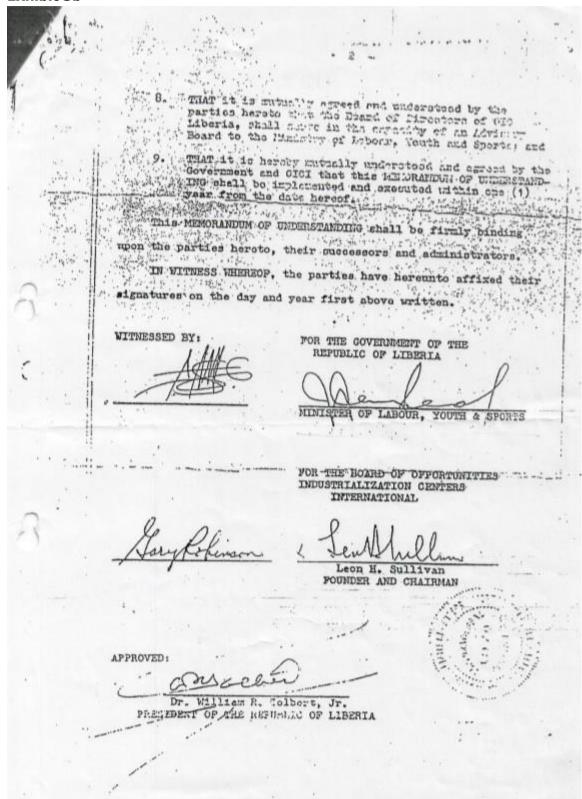


Exhibit 4

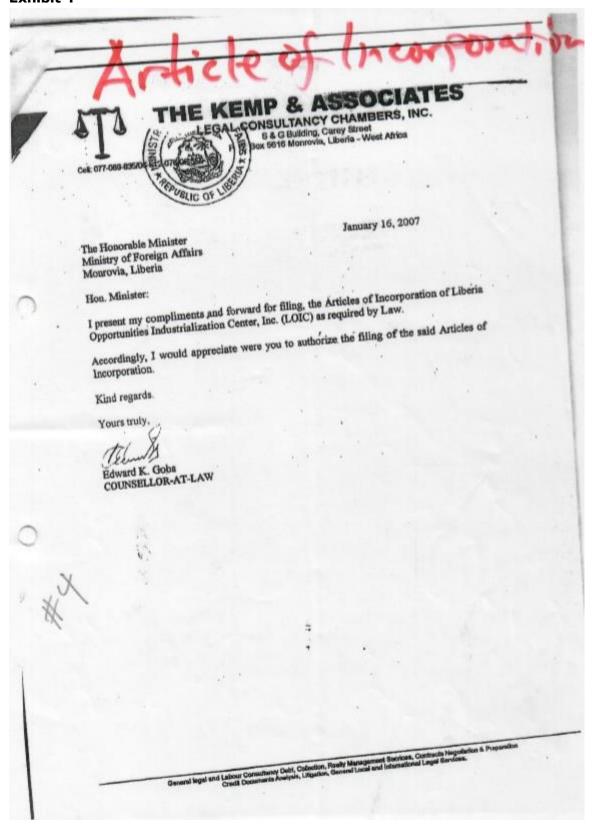


Exhibit 4a

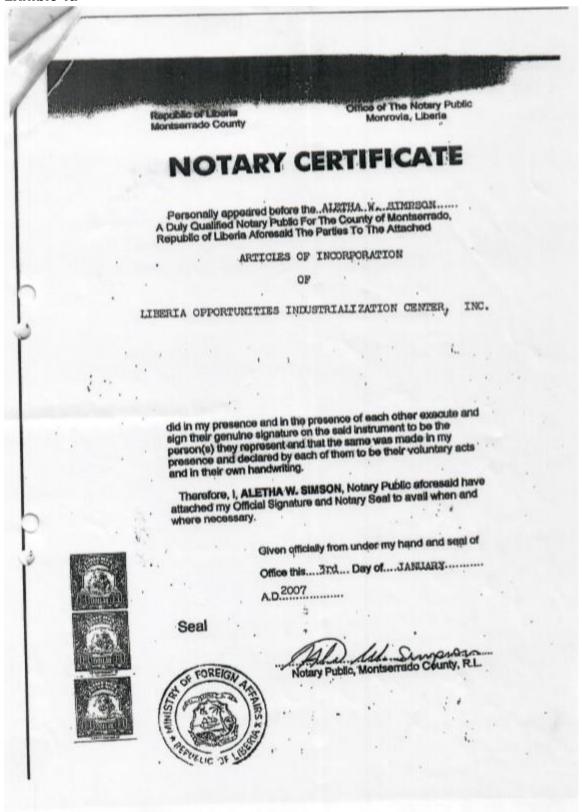




Exhibit 4b

ARTICLES OF INCORPORATION OF LIBERIA OPPORTUNITIES INDUSTRIALIZATION CENTER, INC

We the undersigned, for the purpose of forming a Not-For-Profit Corporation in pursuant to the Liberian Business Corporation Act of May 1978, and in accordance with the Association Law of Liberia as provided for in Volume II, of "The Liberian Code of Law Revised" do hereby make, subscribe, acknowledge and file into the Office of the Minister of Foreign Affairs, of the Republic of Liberia this application for a Certificate of Incorporation as follows:

ARTICLE I. NAME

The name of the Organization same shall be: LIBERIA OPPORTUNITIES INDUSTRIALIZATION CENTER (LOIC)

ARTICLE II. PURPOSE

The purpose for which the corporation is formed are as follows:

- To cater to the needs of disadvantaged and under-privileged youths of the Liberian society;
- To engage in the training of vocational education and skills to the above indicated vulnerable youths of the Liberian communities, thus empowering and preparing them for the world of works and self-empowerment;
- To conduct guided guardian and trauma counseling services to the indicated target beneficiaries as a means of psychosocial rehabilitation and effective job placement & reintegration,
- To provide basic business education as a supplement to the vocational and technical training,
- To assist in providing micro-credit facility to beneficiaries through establishing contacts with relevant donor institutions;
- To incorporate adult-literacy in rural satellite programs as a means of reducing the high rate of illiteracy within the country;
- To engage in any lawful act or activity for which the corporation may now or hereafter be authorized under the Liberian Business Corporation Act.

ARTICLE III. REGISTERED ADDRESS

The Registered address of the corporation is P. 0. Box 3596, New Matadi, Sinkor, Memrovia, Liberia and the name and address of its Registered Agent is Mr. George Kpawulu, P. 15 (2002) 3596, Monrovia, Liberia

ARTICLE IV. INCORPORATORS

names and mailing address of the Incorporator of these Articles of Incorporation are:

Rev. Dr. Walter D. Richards

ADDRESS P. O. Box 3596, Monrovia, Liberia

Exhibit 4c

ARTICLE V. DUARD VI. PIE

The number of the initial Board of Directors who shall serve until their successors are elected shall not be less than five or more than fifteen. The names and mailing address of the initial Board of Directors of the Corporation are as follows:

NAME 1. Rev. Dr. Walter D. Richards 2. Mr. E. Richmond Draper 3. Mrs. Olivia B. Williams 4. Rev. Kortu Brown 5. Rev. Joseph Roberts 6. Fr. A. Too Williams 7. Ministry of Planning 8. Ministry of Education 9. Ministry of Youth & Sports	ADDRESS P.O. Box 3596, Monrovia, Liberia	POSITION Chairman Secretary Treasurer Member Chaplain Member Member Member Member Member Member
10. Rev. Adelaide Supuwood	P.O. Box 3596, Monrovia, Liberia	Memora

ARTICLE VI. INDEMNITY

The organization shall indemnify each member of the Board of Directors from any loss or damages sustained by lawsuit brought against any member of the Board of Directors or officer(s) because of any act or actions performed in good faith for the organization, Nothing however, in this paragraph shall be construed as a waiver of liability for any such action of malfeasance or misfeasance of any member or officer.

ARTICLE VIL POWERS

The Corporation shall have the powers in furtherance of its corporate purpose to: 1. Enter into contracts with persons, organizations, corporations, partnerships and

2. Exercise any or all of the powers pursuant to the necessary provisions of the Non-For-Profit Corporation Act the Republic of Liberia.

ARTICLE VIII. OTHER PROVISIONS

- 1. The Organization shall provide motivation and training and will develop and utilize the skills of people regardless of race, creed, color or sex in the process of imparting knowledge and skills to its target beneficiaries;
- 2. The Corporation will help train trainers, counselors, volunteers and other Personnel to be involved in the development of other branches of the Organization in other parts of the
- 3. The affairs of the corporation shall be managed by a Board of Directors of not less than seven members elected by members of the corporation In a manner to be provided by the By-Laws. Any By-laws adopted by the Board of Directors shall in no way conflict with the provisions of these Articles of Incorporation;
- 4. These articles of incorporation may be amended by a vote of two-thirds Of the directors of the corporation present at any regular meeting. The Annual meeting, or at a special-meeting called for the purpose, provided that any quorum requirement imposed by the Market is met, and provided further that no amendment or appeal of the Articles of incorporation shall be adopted at any such meeting;

Exhibit 4d

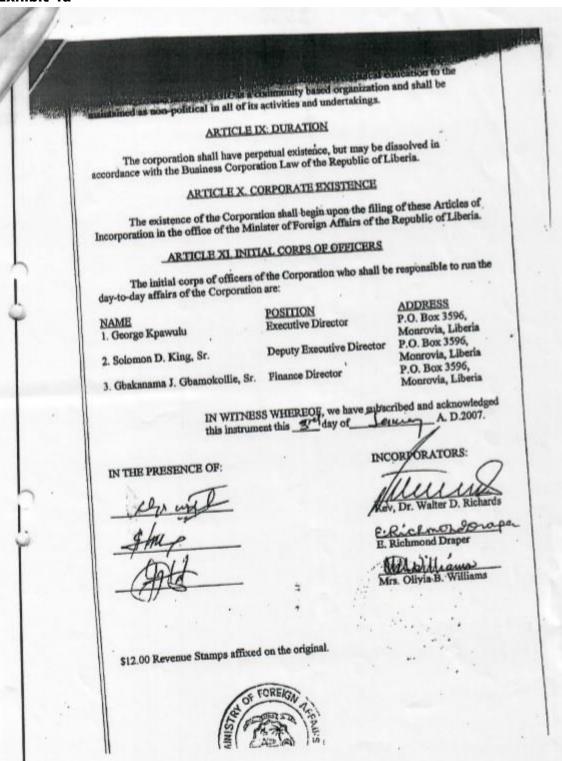


Exhibit 4e

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	М
2	Ellis I. S. Kiazolu, Sr.	Finance Director	M
3	Daniel C. Gayedyu, Sr.	Internal Auditor	M
4	J. Clarence C. Blapooh	Program Officer	М
5	Preston P. Jackson	Personnel Director	M
6 7	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 Audit of the Operation and financial transactions of the Liberia Opportunities Industrialization Center (LOIC) For the Fiscal Year July 1, 2015 to June 30, 2016

Exhibit 5

					. ()						0				进;	X
						LIBERIA OPPO	ORTUNITY IND	USTRIALIZ	ATION CEN	TER	1				41	1
							Fixed Assets			1011						
			_				For Fiscal Y	ear 2018								
S/N	Description of Assets	Classification of Assets	Date of Purchase	Date Put	Cest USS	Accumulated Depreciation USS	Net Book Value	Estimated		Funding	Assigned	Assigned			Serial/Ch	
111	OIC Head Office,	Building	1984	1984	1,103,018.00	375,026.12	USS	Useful Life		Source	Unit	Person	Location	Internal Code	el No.	Conditi
2 P	roduction service Unit 4	Building.	1984	1984	500,000,00		727,991.88	100 yrs.	Straight Line	USAID			New Matadi	Total Court	ering.	
3 P	ractice Shalf	Building	1984	1984	45,000.00	170,000.00	330,000.00	100 yrs.	Straight Line	USAID			New Mundi		-	Good
F	enco/Generator Rm/Parking Area	Fence Etc.	1984	1984			29,300.00	100 yrs.	Straight Line	USAID			New Matadi			Good
4 F	oya Compound	Building	1984	1984	15,000.00	5,100.00	9,900.00	100 yrs.	Straight Line	USAID	1		National Office		-	Good
	uchanan Compound	Building	1995	1995	350,000.00	119,000.00	231,000.00	100 yrs.	Straight Line	USAID			Lefa			
	anta Compound	Building	1997	1997	500,000.00	115,000.00	385,000.00	100 yrs.	Straight Line	CHEVRO			Buchanan City	-	-	Good
7 S	inje Compound	Building	2000	2000	50,000.00	10,500.00	39,500.00	100 yrs.	Straight Line	USAID			Ganta City		-	Gaod
8 G	bernga Compound	Building	2010	2010	425,000.00	76,500.00	348,500.00	100 yrs.	Straight Line	EED			Cape Mt.	-		Good
	Sub-Total	a.c.iong	2010	2010	75,000.00	6,000.00	69,000.00	100 yrs.	Straight Line	LOIC			Ghamga City			Good
+					3,063,018,00	892,826.12	2,170,191.88						Oberige City			Good
	5 Acres/Head Office	Land	1984	1984	20.400.00											
	8 Acres Foya	Land	1984	1984	40,800.00		20,400.00			USAID			New Meadi		-	-
3 27	Acres Sinje Satelline	Land	1,501	1704			40,800.00			USAID			Lofe			Good
	Acres Buchanan Satellite	Land		-	2,700.00		2,700.00						Con		-	Good
5 27	Acres Gherriga Satellito	Land	-	-	800.00		800.00			500			Buchanan City			Good
	Acres Genta Satellite	Land	1984	1984	2,700.00		2,700.00						Gbarnga City			Good
7 25	Acres River Gee	Land	1091	1704	2,700.00		2,700 00			USAID			Ganta City		-	Good
	Seb-Total		-	-	2,500.00		2,500.00			Hands			River Gee			Good
			-	-	72,600.00		72,600.00						CHE CHE			Good
1 Pho	to-Copier H/D IR 2420	Office Equip	2013	2013					The same of the	room in						
	k Top-computer	Office Equip.	2013	2013	1,150.00	1,150.00		5 yrs	Straight Line	LOIC/GOL	Finance	-		LOIC/FO/E-03		
	non Printer MF4410	Office Equip.	2011	2011	825.00	825.00		5 yrs		LOICIGOL				LOIC/FO/E-03		
4 Con	nputer Laptop (Office Equip.	2011	2011	365.00	365.00		5 yrs			Finance			LOIC/FO/E-02		
5 Can	non Printer MF4410	Office Equip.	2011	2011	825.00	825.00		5 yrs		LOICIGOL				LOIC/IA/E-01		
	tr Jet 100 Printer	office Equip.	2013	2013	365.00	365.00		5 urs			IA	-		LOIC/IA/E-02		
	or Jet 100 Printer	ffice Equip.	2013	2013	1,550.00	1,550.00	-	5 yrs 2			F Dir	-		OICI/FD/E-01		
	r Jet 100 Printer	ffice Equip.	2013	2013	1,550.00	1,550.00		5 yrs 5			Ex. Dir.	-		OICI/FD/E-01		-
	VA Generator E	quipment	2011		1,550.00	1,550.00		5 yrs 5			Ex Dir	-				
0 Can		ffice Equip.	2011	2011	17,000.00	11,900.00	5,100.00	10 yrs 5	traight Line I		Nat'l Office	-		OICI/DND/E-01		
8	iub-Tetal	and and and a	2011	2011	365.00	365.00	-	5 yrs 5		OIC/GOL		-		National Office	-	
					25,545.00	20,080,00	5,100.00					_		LOIC/Ex-Sec/E-01		

1.2.4

Exhibit 5a

				. ()						(3			
1 2009-Nissan Sedan A217811	Vehicle	2019	2019										-
2 2011-Toyota Land Cruiser SUV	Vehicle	Donated		1,626.56					LOIC	Mon/Prog.		National Office	F
3 2001 Toyota Land Cruiser SUV										Ex. Dir.		National Office	Fi
4 1996-Nissan Navers Pickup	Vehicle Vehicle	Donated	Donated							Ex Dir.		National Office	
5 2014 Nissan NP 300 Pickup	Vehicle	2015	2015	26,000.00	19,499.97	6,500.03		Straight Line	BFW	Gharnua	Gharruga	Gharnga Satellite	De
6 1996-Toyota Tundra Pickup	Vehicle	2013	2013	26,000.00	19,499.97	6,500.03			BFW	Sinje	Sinje	Sinje Satellite	De
7 2011 - Mercedes Nesz Truck	Vehicle	Donated	Donated	12,500.00	12,500:00	14	5 yrs	Straight Line	LOIC	National Off.		National Office	De
8 2009 Nissan Pick up	Vehicle	Donated								National Off.		National office	Fa
Sub-Total		Donaico	Lonsaidu	66,126.56	51,499,94	13,000.06						Buch. Satellite	Fa
I Office Desk		-				19,000.00							
2 Office Desk	Furniture	-							USAID			USAID/F0/F-01	-
	Furniture								USAID				-
3 Office Desk	Familiare								USAID		-	USAID/F0/F-02	
4 Office Desk	Furniture								USAID			USAID/F0/F-03	
5 Office Desk	Furniture							-	Comments.			USAID/F0/F-04	
6 Office Desk	Furniture							-	USAID			USAID/F0/F-05	
7 Office Desk	Furniture							-	USAID			USAID/FD/F-01	
8 Official Chair	Furniture					4			USAID			USAID/NED/F-01	
9 Official Chair	Furniture							-	LOIC/GOL			LOIC/NED/F-01	
0 Official Chair	Furniture				_	_			LOIC/GOL			LOIC/NED/F-02	
1 Official Chair	Furniture				-	-			LOIC/GOL			LOIC/NED/F-03	
2 Office Desk	Furniture	Donated	Donated						LOIC/GOL			LOIC/NED/F-04	
I Split Unit	Air Conditioner	2010	2010									LOIC/Ex/So/F-01	
2 Split Unit	Air Conditioner	2010	2010						LOIC/GOL			LOIC/FO/E-12	
3 Split Unit	Air Conditioner	2010	2010		_				LOIC/GOL			LOIC/FD/E-04	
4 Split Unit	Air Conditioner	2010	2010		-	-			LOIC/GOL			LOIC/IA/E-03	
Split Unit	Air Conditioner	2010	2010					_	LOIC/GOL			LOIC-LIBRARY	
Split Unit	Air Conditioner	2010		_	-	-			LOIC/GOL			LOIC-LIBRARY	
Window Air conditioner	THE RESERVE OF THE PARTY OF THE	Donated	2010 Donated						LOIC/GOL			LOIC-Board Rm	
		-	D-Jillies									LOIC/Ex. Sec/	
								-					



Exhibit 6

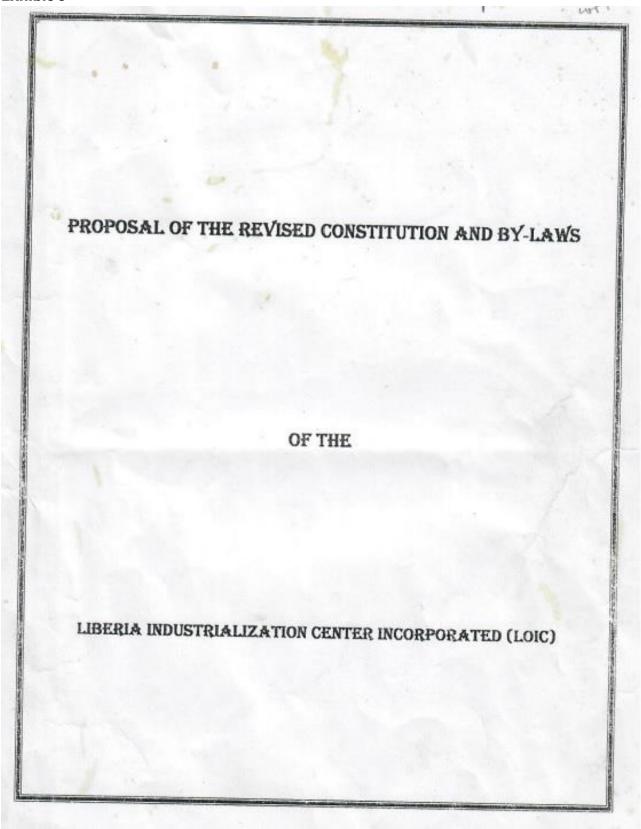


Exhibit 6a

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 1

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 I: 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 ChessonCh	airpers
2.		
3.		
4.		
5.	Mr. Jonathan L. Harmon	
	Mr. E. Richmond Draper	
7.	Counselor Foday J. Massaquoi	44
	Mr. Albert B. Coleman	

