



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statement
Audit of the Liberia Anti-
Corruption Commission (LACC)**

**For the Year Ended June 30,
2015**

December 2020

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

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The Honourable Speaker of the House of Representatives and the President Pro- Tempore of the House of Senate.

We have undertaken the audit of the Liberia Anti-Corruption Commission (LACC) Financial Statements for the financial 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 Anti-Corruption Commission (LACC). Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

Given the significance of the matters raised 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.

Monrovia, Liberia
December 2020

AUDITOR GENERAL'S REPORT

December 31, 2020

Liberia Anti-Corruption Commission
Congo Town
Monrovia, Liberia

Dear Sir:

RE: REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA ANTI-CORRUPTION COMMISSION (LACC).

Report of Independent Auditors on the Financial Statements

We are required by Section 2.1.3 of the GAC Act of 2014 and in accordance with the Public Financial Management Act and Regulations of 2009 to audit the accompanying Commission's Financial Statements, which comprises the Statement of receipts and payments, Statement of Comparison of Budget and Actual and a summary of significant accounting policies and explanatory notes for the period ended June 30, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the LACC's Financial Statements in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting as adopted by the Government of Liberia, the Public Financial Management Act and Regulations of 2009 and for such internal controls as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The amount of expenditure per the general ledger for GOL fund did not tally to the expenditure reported in the Financial Statements for the fiscal period. Several of the expenditure were recorded in the general ledger as US\$1,807,602.48 and reported in the Financial Statements as US\$1,805,035.24 thus, leaving a variance of US\$ 2,567.24.

Closing cash balance of US\$59,396.18 from the bank statement as at June 30, 2015 was posted for reconciliation as US\$7,243.30 thus, leaving a variance of US\$52,152.88. The closing cash balance for the fiscal period was understated by this variance.

Qualified Opinion

We have audited the financial statements of the Liberia Anti-Corruption Commission, which comprises the Statement of receipts and payments, Statement of Comparison of Budget and Actual and a summary of significant accounting policies and explanatory notes for the period ended June 30, 2015.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the Statement of receipts and payments, Statement of Comparison of Budget and Actual as at June 30, 2015, and (of) its summary of significant accounting policies and explanatory notes for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting as adopted by the Government of Liberia.



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

Monrovia, Liberia

December 2020

Statement of Responsibilities of the Head of Liberia Anti-Corruption Commission

The Financial statements set out from page 4 to page 5 have been prepared in accordance with the provisions of the Public Financial Management Act, 2009 and in compliance with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS)

In accordance with the provisions of the Public Financial Management Act, 2009, I am responsible for the control of and accounting for funds controlled by the LIBERIA ANTI-CORRUPTION COMMISSION. Under the provisions of the same Act, I am required to prepare, financial statements, which are submitted to the Ministry of Finance at the end of the financial year to which the financial statements relate. Accordingly, I am pleased to submit the required financial statements in compliance with the Act. I have provided, and will continue to provide all the information and explanations as may be required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the Public Financial Management Act, 2009.

Cllr. James N. Verdier Jr.
Head of the Entity

Date:

09/14/15

Management Discussion and Analysis on the Financial Statements by the Head of LIBERIA ANTI CORRUPTION COMMISSION

This Financial Statement Covers the fiscal year 2014-2015 and its contents are consistent with the provisions of section I.II Captioned "Annual Government Agency or fund accounts" the 2009 Public Financial Management Regulations.

The Commission has adopted a system of sound accounting and financial management policies in conformity with financial regulations of the Government of Liberia and International Public Sector Accounting Standards (Cash Basis IPSAS) to ensure prudent and efficient management of funds. The Commission shall specifically cause to be kept proper books and records of accounts for funds and resources received and expenditure incurred during the fiscal year. This paragraph is covered under section 12.3 of the LACC Act of 2008.

The year under review has seen some challenging moments for the Commission. We entered the LACC with a clear vision of rebranding the institution and to enhance its credibility as a professionalized Anti-Graft institution. The Commission is measuring up to best practices and wants to perform to the expectation of the Liberian people.

Some of the major successes of the Commission during the period under review included the following: The year under review saw the Commission investigating an unprecedented **Thirty (30) cases with a monetary value of more than Eighty-Five Million (85 Million) United States Dollars and additional local currency in an amount of 3 Million (LD \$ 3 Million) Liberian Dollars.**

The LACC during the period under review continued the full implementation of an Assessment framework and the development of Integrity clubs in ten (6) Public secondary schools across three counties namely: Montserrado, Grand Bassa and Bomi Counties.

The Commission has seen an upsurge in complaints filed by walk-in sources or based on tip-offs and also from individuals who have presented themselves to report corruption cases at their area of work. Most of these cases are under full investigation and the Commission will continue to report as the cases are concluded.

As we have indicated in previous successive reports there were a number of declarants of Income Assets and Liabilities but due the upsurge in Ebola and the emergency created during the just ended fiscal year, we saw from January to March, a total of Thirty-Four Public Officials declaring their Assets. Notwithstanding, the process is ongoing.

In order to strengthen the prevention efforts of the Commission, on 12 March 2015, the Commission launched the completed "Mapping of Corruption Risk" Report in selected portion of the Education sector of the country. This program will promote accountability and integrity in public schools across the country and support the establishment of Integrity clubs in these institutions. The Commission is also working with the UNDP's Strengthen Accountability, Oversight and Participation (STOAP) Project on these initiatives.

In addition, the Commission is nearing the completion of another mapping of corruption risks in the water sector, a UNDP GoAL WaSH project. Inception and Rapid Data Assessment Reports to this study have been finalized, while the field data collection by a team of Enumerators, tabulation of data and the validation of survey report are ongoing, though with very serious bottlenecks. The Liberia Water and Sewer Corporation (LWSC) has not been cooperating with the National Consultant in the release of water consumption data for the analysis to inform the outcome of the study.

The General Auditing Commission (GAC), the supreme auditing arm of Government, has conducted its first audit of the LACC spanning 2010-2011, 2011-2012 and 2012-2013 fiscal years. The Auditor General Report for the Three (3) year Audit has since been released and shall be published in keeping with LAW (LACC ACT of 2008).

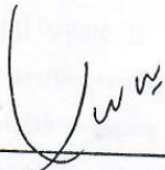
CHALLENGES UNDER THE DIVISION OF ENFORCEMENT

The Commission made remarkable achievements during the year under review. These achievements have had their separate challenges associated with them, which could hinder the work of the commission in the months ahead.

The Liberia Anti-Corruption commission has a shortage of prosecutors. The commission will need at least three (3) in-house prosecutors to facilitate the investigation and prosecution of corruption cases. Of late, there has been a surge in Corruption cases coming to the commission. The current number of prosecutors (three in number) based at the Commission is already overwhelmed by existing cases. The recruitment of additional prosecutors will further build the Commission's capacity in carrying out its legal mandate. The process however to recruit additional lawyers began in March and when completed, to some extent, will enhance the prosecutorial capacity of the Commission.

We want to report that there is a continuous absence of critical complementary legal instruments to enhance the work of the LACC. The Commission needs other critical legal instruments and insinuations such as the Corrupt Offences Act, the Illicit Enrichment Act to enhance its work and will also strengthen the Commission's enforcement powers. The country is at a critical stage and is therefore important to make use of all the relevant legal instruments to fight corruption head-on in the country.

There is a lack of a fast-track court to deal exclusively with corruption cases. Our already small and over-burdened judiciary has no special court assigned to cases of corruption. This has had negative repercussion on the prosecution efforts of the commission. Cases from the LACC will be treated as normal cases and are not given special preferences in an already loaded court docket. The establishment of a Fast Track or specialized court will help the Commission move fast to prosecute and bring corrupt individuals and institutions to book expeditiously.


14 AUG 2015

I. Bernard Nagbe

Comptroller

LIBERIA ANTI-CORRUPTION COMMISSION				
STATEMENT OF CASH RECEIPTS AND PAYMENTS				
FOR THE YEAR ENDED JUNE 30, 2015				
ACCOUNT TITLE/DESCRIPTION	NOTES	RECEIPTS/PAYMENTS CONTROLLED BY	PAYMENTS BY OTHER GOV'L	PAYMENTS BY EXTERNAL PARTIES
		US \$	US \$	US \$
RECEIPTS				
Authorized Allocation/Appropriation	1	2,681,384.10	-	-
Other Receipts		-	-	-
External Assistance:	2			
Other Grants and Aid/UNDP		100,960.00	-	-
Other Grants and Aid				
Total Receipt		<u>2,782,344.10</u>	<u>-</u>	<u>-</u>
PAYMENTS				
Operations:	3			
Wages, Salaries and Employee Benefits		1,631,148.36	-	
Supplies and Consumables		733,213.83	-	-
Fixed Assets		406,719.00		
Contributions to other Int.Org		11,024.27		
Other Grants and Aid/WORLDBANK				10,408.33
Total Payments		<u>2,782,105.47</u>	<u>-</u>	<u>10,408.33</u>
Increase/Decrease in Cash		<u>238.63</u>	<u>-</u>	<u>(10,408.33)</u>
Cash at the beginning of the Quarter-July 014		772.71		
Foreign currency translation difference		(0.00)	-	-
Cash at the End of the month-June 30, 015		<u>1,011.33</u>	<u>-</u>	<u>(10,408.33)</u>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE LIBERIA ANTI-CORRRUPTION COMMISSION OF THE REPUBLIC OF LIBERIA FOR THE MONTH YEAR ENDED JUNE 30, 2015					
<i>- Budget Approved on the Cash Basis</i>					
ACCOUNT TITLE/DESCRIPTION	Actual Amount	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance
	US \$	US \$'000	US \$'000	US \$'000	%
CASH INFLOWS					
Authorized Allocation/Appropriation	2,681,384.10	2,829,691	2,829,690	(148,307)	-5%
Grants/UNDP	100,960.00	100,960		-	0%
Grants/WORLDBANK					
Legislative Budgetary Amendment					
Unallocated PSIP				-	-
Other receipts				-	-
Total Receipts	2,782,344.10	2,930,651	2,829,690	(148,307)	-5%
CASH OUTFLOWS					
Wages, Salaries and Employee Benefits	1,603,198.36	1,626,989		23,791	1%
Goods and Services Consumed	671,192.10	778,452		107,260	14%
Capital Expenditure	406,719.00	424,250		17,531	4%
Grants & aids/UNDP	89,971.73	100,960		10,988	11%
Payment of Interest				-	-
Transfers to other Government Units				-	-
Contributions to other Int.Org	11,024.27			(11,024)	-
Total payments	2,782,105.47	2,930,651	-	159,570	5%
NET CASH FLOW	238.63	-	2,829,690	(307,877)	-
* Actual amounts encompass both cash and third party settlements.					

Notes to the Financial Statements

A. General Information and Accounting Policies

The principal address of the reporting entity is:

Liberia Anti-Corruption Commission
Gurley Street & UN Drive
Monrovia, Liberia

Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Liberia in preparing and presenting the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below:

- B.** This financial statement has been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and complies with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS): Financial Reporting under the Cash Basis of Accounting.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently used throughout.

C. Reporting Entity

The financial statements are for the Liberia Anti-Corruption Commission

D. Reporting currency and translation of foreign currencies

i. Functional and presentation currency

The functional currency is the Liberian Dollars and the reporting currencies are the Liberian Dollars and the United States Dollars which are the legal tenders of the Republic of Liberia. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

ii. Translation of transactions in foreign currency

Foreign currency transactions are translated into the Liberian Dollars using the budgetary rates for the Fiscal Year 2014/2015. The daily rate as issued by the Central Bank of Liberia was used processing transaction. The ending balances were converted using June 30, 2015 rate, which was 1 US \$ - 85L\$

E. Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1 July 2014 to 30 June 2015.

F. Payments by Third Parties

The Commission also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period by way of the World Bank Grant Managed by PMFU at the Ministry of Finance. The payments made by the third parties do not constitute cash receipts or payments by the Commission but do benefit it. They are disclosed in the Payments by third parties column in the Statement of Cash Receipts and Payments and other financial statements.

Descriptions	Amount US\$
World Bank	10,408.33
Total	10,408.33

G. Receipts

Receipts represent cash received by the Commission during the financial year and comprise Authorized allocation/appropriations.

Receipts are recognized as follows:

1. Authorized Allocations/Appropriations

Authorized allocations are recognized when they are received and under the control of the Liberia Anti-Corruption Commission.

See schedule below:

Honorarium	1,619,065.36
Goods & Services including Capital	1,062,318.74
Total	2,681,384.10

2. Other Receipts

a. Transfer received from government units (current)

3. External Assistance:

a. Grant from Multilateral Agencies

This involves funding from UNDP for support to the Strengthen Transparency, Accountability, Oversight and Participation (STAOP). **See schedule below:**

Descriptions	Amount US\$
Honorarium	27,950.00
Goods & Services including Capital Expenditure	62,021.73
Cash returned to UNDP	11,024.27
Total	100,966.00

H. Expense/Payments

In general, all expenses are recognized in the statement of Cash Receipts and Payments when paid for.

4. Operations.

a. Wages, Salaries, and Employees' Benefits inclusive of donor funding

This amount represents payment to employees of the LIBERIA ANTI CORRUPTION COMMISSION as remuneration for the period under review. **See schedule below:**

Descriptions	Amount US \$
Honorarium (GOL)	1,603,198.36
Honorarium (UNDP)	27,950.00
Total	1,631,148.36

b. Goods and Services inclusive of donor funding

Goods and Services have to do with recurrent expenses. They include such items as Office Stationery, Printing and Publications, Foreign Travels, Water and Sewage, Fuel and Lubricants for Vehicles, Fuel for Electricity Generation etc. **See schedule below and detail expenditure breakdown in appendix 1**

Descriptions	Amount US \$
Goods and Services (GOL)	671,192.10
Goods and Services (UNDP)	62,021.73
Total	733,213.83

5. Capital Expenditure

Descriptions	Amount US\$
Fixtures and Furniture (GOL)	13,709.00
ICT Infrastructure and Hardware (GOL)	107,339.20
Transport Equipment (GOL)	289,700.00
Subtotal	410,748.20
Fixtures and Furniture (UNDP)	0.00
ICT Infrastructure & Hardware (UNDP)	0.00
Subtotal	0.00
Total	410,748.20

6. Cash at the Beginning of the Fiscal Year 2014/2015

This amount represents balance brought forward from the Fiscal 2013/2014 in the amount of US\$ 772.71 Cash at the End of June 30, 2014.

The ending cash balance for the reporting period, June 30, 2015 is USD 1,011.33 see schedule of breakdown in appendix 2.

7. Authorization Date

The financial statement was authorized for publication on 15-August-015 by the Executive Chairperson of the Liberia Anti-Corruption Commission.

ANNEXURE I

		GOL	UNDP	Total
Honorarium	211104	1,603,198.36	27,950.00	1,631,148.36
Foreign Travel - Means of travel	221101	16,241.76		16,241.76
Foreign Travel - Daily Subsistence Allowance	221102	12,281.00	2,350.00	14,631.00
Domestic Travel - Daily Subsistence Allowance	221105	1,349.41		1,349.41
Carriage, Haulage, Freight and Transport Hire	221107			0.00
Electricity	221201	6,858.84		6,858.84
Telecommunications, Internet, Postage and Courier	221203	53,031.24	5,894.00	58,925.24
Office Buildings Rental and Lease	221303	51,500.00		51,500.00
Fuel and Lubricants - Vehicles	221401	244,652.77	9,455.70	254,108.47
Fuel and Lubricants – Generators	221402	5,517.14		5,517.14
Repairs and Maintenance – Civil	221501			0.00
Repairs and Maintenance – Vehicles	221502	78,876.31	2,919.27	81,795.58
Repairs and Maintenance – Generators	221503			0.00
Repairs & Maintenance – Machinery, Equipment and	221504	300.00		300.00
Repairs and Maintenance – ICT Equipment	221505			0.00
Stationery	221602	38,400.49	4,287.70	42,688.19
Printing, Binding and Publications Services	221603	6,213.20		6,213.20
Computer Supplies and IT Services	221605			0.00
Other Office Materials and Consumables	221606	37,063.11	2,529.05	39,592.16
Consultancy Services	221701		34,586.01	34,586.01
Special operations and services	221812	72,267.05		72,267.05
Workshops, Conferences, Seminars	222102			0.00
Entertainment Representation	222105	6,024.91		6,024.91
Advertising and Public Relation	222108	2,915.00		2,915.00
Operational Expenses	222109	2,972.00		2,972.00
Guard and Security Services	222113	33,350.00		33,350.00
Bank Charges	222116	1,377.88		1,377.88
Contributions to other Int.Org	262104			0.00
Fixtures and Furniture				0.00
Transport Equipment	232201	289,700.00		289,700.00
Furniture & fixtures	232221	13,709.00		13,709.00
ICT Infrastructure, and Hardware	232301	103,310.00		103,310.00
Cash Returned to UNDP			11,024.27	11,024.27
GRAND TOTAL		2,681,109.47	100,996.00	0.00
				2,782,105.47

ANNEXURE II

OPENING CASH AND BANK BALANCES ON HAND				
CASH AT THE BEGINNING OF THE Quarter, July 1,	LD	UNITED STATES DOLL	TOTAL	TOTAL
ACCOUNT NAME	BANK	CASH	BANK	
LACC/CBL USD A/C		194	2.37	196.37
LACC/UNDP/STAOP PROJECT		311	300	611
LACC/OPERATION A.C ECOBANK-USD		118	-156.38	-38.38
LACC/CBL LD A/C 90.5 LD=1 USD	336.39			3.72
				772.71

ANNEXURE III

CLOSING CASH AND BANK BALANCES ON HAND				
CASH AT THE END OF THE YEAR JUNE 30, 2015	LD	UNITED STATES DOLL	TOTAL	TOTAL
ACCOUNT NAME	BANK	CASH	BANK	
LACC/CBL USD A/C			1.37	1.37
LACC/UNDP/STAOP PROJECT			575.00	575
LACC/OPERATION A.C ECOBANK-USD		264.30	136.70	401.00
LACC/CBL LD A/C 85 LD=1 USD	336.39			3.96
LACC/ECO BK LD A/C 85 LD=1 USD	2,550.50			30.01
				1,011.33