

## **Management Letter**

**On the Financial Statement Audit of the Liberia Telecommunications Authority.**

*For the fiscal period ended June 30, 2016*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
December 2020

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Hon. Edwina Crump Zackpah  
Acting Chairperson, Board of Commissioners  
Liberia Telecommunications Authority (LTA)  
Menetamba Road, Cooper's beach Community  
Paynesville, Liberia

December 31, 2020

Dear Hon. Zackpah

The Financial statements of the Liberia Telecommunications Authority (LTA) for the fiscal period ended June 30, 2016 are subject to audit by the Auditor-General (AG) consistent with the AG's mandate as provided for in section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Audit Engagement (Terms of Reference ToR)

### **Introduction**

The Audit of the Liberia Telecommunication Authority (LTA) Financial statements for the fiscal period ended June 30, 2016 has been completed and the purpose of this Management Letter/ Draft Report is to bring to your attention the findings that were revealed during the audit.

### **Audit Scope and Determination of Responsibility.**

The audit was conducted in accordance with International Standards of Supreme Audit Institution (ISSAIs) as promulgated by International Organization of Supreme Audit Institutions (INTOSAI) as well the audit engagement Terms of Reference (ToR). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements.

An audit involves;

- Examination on a test basis of evidence supporting amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by Management; and
- Evaluation of the overall financial statements presentation

An audit also includes an examination, on a test basis of evidence supporting in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matter,

The matters mentioned in this Letter are therefore those that were identified through tests considered necessary for the purpose of the audit, and it is possible that there might be other matter and/or weaknesses that were not identified.


The Financial statements, maintenance of effective control measures and compliance with laws and regulation are the responsibility of the Management of the Liberia Telecommunication Authority. Our responsibility is to express an opinion on these financial statements.

**Key Management**

<b>Name</b>	<b>Rank</b>	<b>Tenure</b>
Angelique E. Weeks	Chairperson	2009- Present
Harry T. Yuan, Sr.	Commissioner	2011- Present
Henry W. Benson	Commissioner	2009- Present
Bayogar A. Mccrity	Commissioner	2014- Present
Maria Harrison	Commissioner	2014- Present
Augustus P. Randall	Comptroller	2009- Present
Brenda Brewer Moore	Human Resource Director	2010- Present
Prince Goah	Procurement and Logistics Director	2010- Present

**Appreciation**

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Liberia Telecommunications Authority (LTA) during the audit.



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

**Monrovia, Liberia**

December 2020

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Discrepancy between Financial Statements and General Ledger

##### Observations

1.1.1.1 Section 36(1) of the Public Financial Management (PFM) Act of 2009 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

1.1.1.2 During the audit, it was observed that some balances on the financial statements did not agree with their respective general ledgers balances. **See Table 1 for details.**

**Table 1: Discrepancy between Financial Statement and General Ledger**

Descriptions	Amount Per Financial Statement (US\$) A	Amount Per General Ledger (US\$) B	Difference (US\$) C = A - B
Beginning Balance Cash 2015/2016	321,359.97	329,103.06	-7,743.09
7-010- Office space and Lease	385,000.00	434,611.11	-49,611.11

##### Risk

1.1.1.3 The accuracy of the financial statement could be in doubt.

##### Recommendation

1.1.1.4 The LTA Management should provide justification for the differences.

##### Management's Response

1.1.1.5 *The financial statements balances were inadvertently stated, however, corrective action is being taken appropriately to reflect the change for said understatements.*

##### Auditor General's Position

1.1.1.6 We acknowledge management acceptance of our findings. However, the assertion by LTA Management did not state whether the issue has been resolved. Therefore, the impact of the uncorrected difference will be evaluated against the overall opinion of the audit.

#### 1.1.2 Un-reconciled Transfer

##### Observations

1.1.2.1 Regulations O.24 (1 & 2) of the PFM Act of 2009 states that "(1) A Head of Government Agency shall ensure that his accounts are properly maintained and are correct at all times. (2) A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account,

the counterfoils or copies of receipts or original documents to verify the correctness of the transactions.”

1.1.2.2 During the audit, it was observed that the LTA Management directed all of its revenues streams into the Transitory Account which was intended to hold fees generated from the international inbound calls. Due to the co-mingling of the revenues LTA could not reconciled an amount of US\$497,439.21 reported in the financial statements as un-reconciled transfer for the period under audit.

1.1.2.3 The un-reconciled transfer amount could not be traced to the bank statements at the UBALL neither the general ledger provided from the quick book system.

1.1.2.4 Moreover, the full amount was not distributed among the parties per the sharing agreement but rather it was received by the LTA.

### Risks

1.1.2.5 The accuracy of the financial statement could be in doubt.

1.1.2.6 Users of the LTA financial statements could be misled on the actual cash receipts for the year under audit.

### Recommendation

1.1.2.7 Management should provide substantive justification for the un-reconciled transfer of US\$497,439.21 reported in the financial statements.

### Management’s Response

1.1.2.8 *Using the Revenue classification type from the QuickBooks to derive the actual revenues collected, said unreconciled difference would exist, given the challenge posed by the use of one Transitory Account to accommodate all revenues of the sector at a time. However, using the Cashbook of Transitory Account along with the Bank Statements, you would realize that said difference does not exist and LTA received its legitimate share of all revenues collected during the period under review, FY2015/2016. See schedule below*

**Revenue Distribution Schedule: Annual Report (July 1, 2015 through June 30, 2016)**

	<b>Gross Amount</b>	<b>LTA 2016</b>	<b>GOL 2016</b>	<b>GVG/Connex 2016</b>	<b>Escrow</b>
<i>All Regulatory Fees- UBA Transitory A/c 2</i>	<i>6,870,790.71</i>	<i>2,617,845.55</i>	<i>4,250,945.16</i>		
<i>Regulatory Fees- CBL/Arrears</i>	<i>1,062,275.98</i>	<i>1,062,275.98</i>	<i>-</i>		
<i>Int'l Calls Termination Fee – IGM 1</i>	<i>2,015,904.15</i>	<i>201,590.42</i>	<i>1,378,831.04</i>	<i>435,482.70</i>	
<i>Int'l Calls Termination Fee-UBA</i>	<i>6,079,724.60</i>	<i>1,081,876.23</i>	<i>1,692,165.38</i>	<i>747,967.00</i>	<i>2,557,715.99</i>
<i>Refund/Others</i>	<i>124,810.80</i>	<i>124,810.80</i>			
<i>Transfer before</i>	<i>145,294.65</i>				

**Revenue Distribution Schedule: Annual Report (July 1, 2015 through June 30, 2016)**

	<b>Gross Amount</b>	<b>LTA 2016</b>	<b>GOL 2016</b>	<b>GVG/Connex 2016</b>	<b>Escrow</b>
<i>distribution</i>					
<i>Bank Charges</i>	515.00				
<b>Total Gross Revenue</b>	<b>16,299,315.89</b>	<b>5,088,398.97</b>	<b>7,323,449.70</b>	<b>1,183,449.70</b>	<b>2,557,715.99</b>

**Auditor General's Position**

1.1.2.9 The assertions by the LTA Management did not address the issue raised. Therefore, the LTA Management should do a complete reconciliation on the bank account to ascertain the source of the unreconciled amount of US\$497,439.21.

1.1.2.10 *Further, the LTA Management should ensure that a separate account is maintained for International Call Termination Fee.*

**1.1.3 Revenue Distribution**

**Observations**

1.1.3.1 Paragraph 3 of the Memorandum of Understanding (MOU) signed among the parties on 30 January 2013 states that "from the amounts deposited and credited to the Transitory Account described in paragraph 1 hereof, United Bank for Africa Liberia Limited (UBALL) shall distribute the monthly aggregate revenue among the parties as follows:

- a. GVG = 40%
- b. Connex Telecom = 20%
- c. Government of Liberia (GoL) = 30%
- d. Liberia Telecommunication Authority (LTA) = 10%

1.1.3.2 Paragraph 1 (Mutual Understanding) Section (1) of the Addendum Memorandum of Understanding signed among the parties on January 23, 2016 states that "all revenues generated from regulatory fees charged on incoming international calls shall be deposited into an account named "MFDP/LTA and GVG Fees Transitory Account" (also referred to herein as "Transitory Account") and operated and managed according to Administrative Regulation No. PFMA-01/MOF/R/02/2010 of the Public Financial Management Act of 2009.

1.1.3.3 Furthermore Paragraph 2 A (2 & 6) states that (2) "From the amounts deposited and credited to the Transitory Account described in paragraph 1 hereof, UBALL shall distribute the monthly aggregate receipts as follows:

- a) MFDP 27.45%
- b) LTA 17.55%
- c) GVG 55%

1.1.3.4 During the audit, a difference of US\$ 551,312.24 was observed between the total revenue of the International Inbound Calls Termination Fees per the financial statements and the amount that should have been received by LTA per the sharing agreement. **See table 2 for detail.**

**Table 2: Revenue Distribution**

Period	Total Revenue from Int'l Calls Termination Fee US\$ A	Less: Bank Charges US\$ B	Cash for Distribution US\$ C = A-B	Sharing Ratio D	Amount to be received per the MOU US\$ E = C * D	Amount Received per the Financial Statements US\$ F	Difference US\$ G = E - F
August - December 2015	4,926,236.73	335.00	4,925,901.73	10%	492,590.17	-	492,590.17
January - June 2016	3,169,451.69	240.00	3,169,211.69	17.55%	556,196.65	497,474.58	58,722.07
Total	<b>8,095,688.42</b>	<b>575.00</b>	<b>8,095,113.42</b>		<b>1,048,786.82</b>	<b>497,474.58</b>	<b>551,312.24</b>

### Risk

1.1.3.5 Failure to receive the actual amount of the revenue is a violation of the MOU and could lead to understatement of revenue and none achievement of the entity's objectives.

### Recommendation

1.1.3.6 Management should provide justification for the difference between the MOU and the financial statements.

### Management's Response

1.1.3.7 *Prior to the New Licensing regime, there was a lone Transitory (UBA Transitory A/C IGM#: 1) that accommodated Inbound Calls Termination Fees exclusively with sharing ratios of 40:30:20:10, GVG, GOL, Connex and LTA respectively. Balance brought forward from this account was US\$725,804.51 net of bank service charges.*

1.1.3.8 *Other deposits (Arrears) totalled US\$1,290,099.64 were added before distributions were done to close said Account at UBA. However, the sum of the above plus the total IGS deposits in the UBA Transitory A/C #: 2 is US\$8,095,628.75 instead of what is purportedly being seen as overstatement. **See Matrix Below:***

**Matrix 1: Inbound & Outbound Calls Termination Fees**

	Gross Amount	LTA 2016	GOL 2016	GVG/Connex 2016	Escrow
UBA Transitory A/c IGM#:1	2,015,904.15	201,590.42	1,378,831.04	435,482.70	
UBA Transitory A/c #:2	6,079,724.60	1,081,876.23	1,692,165.38	747,967.00	2,557,715.99
<b>Total Gross Revenue</b>	<b>8,095,628.75</b>	<b>1,283,466.64</b>	<b>3,070,996.42</b>	<b>1,183,449.70</b>	<b>2,557,715.99</b>

### Auditor General's Position

1.1.3.9 The assertions by the LTA Management are not backed any documentary evidence. The first MOU sharing agreement gives LTA 10% from July 1, 2015 through January 22, 2016 while the second agreement gives LTA 17.55%. Therefore, the LTA Management should be made to refund the overpayment for redistribution.



#### 1.1.4 LTA/GOL Escrow Account

##### Observations

- 1.1.4.1 Paragraph 1 section 3 of the Addendum Memorandum of Understanding signed among the parties on January 23, 2016 states that "except for the distribution of the generated fees in accordance with the agreed ratios to MFDP, LTA and GVG, respectively, there shall be no withdrawal from the Transitory Account.
- 1.1.4.2 Further Paragraph 2A section 10 states that "UBALL shall ensure that there is no withdrawal from the Transitory Account described in this MOU except the agreed distribution as provided in paragraph 2 hereof.
- 1.1.4.3 During the audit, it was observed that the amount of US\$2,557,715.99 which was to be distributed among the three parties (MFDP, LTA & GVG) as per the MOU was withdrawn from the MFDP/LTA and Others Fees Transitory Account domiciled at the UBALL to an unknown account referred to as LTA/GOL Escrow Account. There was no evidence to indicate how said amount was distributed among the parties. **See attached annex 1.**

##### Risk

- 1.1.4.4 Failure to adhere to the MOU is a gross violation of the MOU and could lead to misappropriation of public resources.

##### Recommendations

- 1.1.4.5 Management should provide justification for the withdrawal of US\$2,557,715.99 from the MFDP/LTA and Other Fees Transitory Account without evidence of distribution.
- 1.1.4.6 Further, the LTA management should provide the bank account number and statement to which the amount was transferred.

##### Management's Response

- 1.1.4.7 *The LTA rejects your characterization of the Escrow Account as "Unknown". During the LTA/GVG contract mid-term review, the two (2) parties reached an impasse regarding outstanding tax obligations of GVG and referred the matter to the Ministries of Finance and Development Planning and Justice. While the matter was being investigated, GVG was still performing her contractual obligation to the LTA and fees generated needed to be distributed amongst the GOL, LTA, and GVG.*
- 1.1.4.8 *However, it was agreed that until the issue regarding the outstanding tax obligation of GVG is resolved, an Escrow Account be created to house the share of GVG from revenue generated from Inbound Calls Terminations. As a result, the LTA sought the approval of the Ministry of Finance and Development Planning and created the Escrow Account titled " LTA/GOL Escrow Account. The MOU that created the Escrow Account was signed by the LTA and the GOL, represented by the MFDP.*

1.1.4.9 *Pending the outcome of the investigation/review by MFDP and MOJ, GVG's share of Inbound Calls Termination Fees was transferred to the Escrow Account at the UBAL. After the issue regarding GVG's outstanding tax obligation was resolved by the MFDP and MOJ, GVG was paid from the Escrow Account. That amount is still reflected because the account was un-reconciled prior to its closure at United Bank of Africa. You can further confirm the payment to GVG from the UBAL.*

#### **Auditor General's Position**

1.1.4.10 The assertions by the LTA Management are not backed by any documentary evidence. For example, the LTA Management did not provide any documentary evidence of the *LTA/GOL Escrow Account*, the MOU that created the account, report form the investigation that was conducted etc. Therefore, the LTA Management should be made to account for the US\$2,557,715.99.

#### **1.1.5 CBL Exchange Rate**

##### **Observations**

1.1.5.1 Regulations F.1(4) of the PFM Act of 2009 states "where the government debt is revalue in Liberian dollars, obligations denominated in foreign exchange other than the United States dollars shall be translated at the exchange rate of the Central Bank of Liberia(CBL) as of the date of revaluation".

1.1.5.2 During the audit, it was observed that the amount of L\$9,860,000.00 was deposited into the LTA LRD Operational Account domicile at the CBL as payment against invoices in United States Dollars by LIBTELCO for fiscal year 2015/2016 with various exchange rates been used by the LTA Management.

1.1.5.3 We further observed from the Liberia Financial Statistical Report vol. 17, No. 5 that the CBL daily exchange rate reported runs contrary to the exchange rate used by the LTA; thus, resulting into an un-explained difference in the amount of **US\$-5,573.20**. **See table 3 for detail.**

**Table 3: Exchange Rate**

DATE	CHECK#	PAYEE	DESCRIPTION	AMOUNT (L\$) A	LTA Exchange Rate Used B	Reporting Amount US\$ C=A/B	CBL Exchange Rate D	US\$ E= A/D	Difference (US\$) F = C - E
7/2/2015	000025	LIBTELCO	Annual Spectrum/Regulatory fee	860,000.00	90	9,555.55	86.19	9,977.96	-422.41
5/24/2016	90486	LIBTELCO	Payment against A/C	9,000,000.00	95.99	93,750.30	91.00	98,901.10	-5,150.80
<b>Total</b>				<b>9,860,000.00</b>		<b>103,305.85</b>		<b>108,879.05</b>	<b>-5,573.20</b>

## Risks

1.1.5.4 The accuracy and fairness of the financial statement cannot be assured.

## Recommendation

1.1.5.5 LTA Management should provide justification for using an exchange rate which is different from the Central bank of Liberia published exchange rate for fiscal year 2015/2016.

## Management's Response

1.1.5.6 *Liberia Financial Statistical Institution sets the exchange rate to mitigate the risk of dispute among businesses and Revenue Collection Authorities. Notwithstanding, flexibility demanded us to negotiate with LIBTELCO for said premium on exchange in order to mitigate any anticipated foreign exchange loss since all of invoices are denominated in United States dollars and majority of our expenditures was in United States Dollars.*

## Auditor General's Position

1.1.5.7 The assertion by the LTA Management does not address the issue raised. The CBL is the institution responsible to determine and publish exchange rates. Therefore, the LTA Management should apply the approved rate published by the CBL for the transactions.

## 1.1.6 Undisclosed Transactions

### Observations

1.1.6.1 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".

1.1.6.2 During the audit, it was observed that the Management of LTA did not disclose in the FY 2015/16 general ledger and financial statements cash that was withdrawn from the MFDP/LTA Revenues and others Fees Transitory Account domiciled at the UBALL totalling US\$1,074,176.67. **See table 4 for detail.**

**Table 4: Undisclosed Transactions**

Value Date	Narration	Amount US\$
December 4, 2015	MC#2481 IFO GOL/General Revenue Account	564,973.54
December 4, 2015	BG LTA share of MFDP/LTA Revenue account cleared	69,082.24
January 7, 2016	BG LTA 39% share of MFDP/LTA Revenue account cleared	171,647.15
January 7, 2016	MC#3515 IFO GOL for MFDP/LTA Revenue Account cleared	268,473.74
<b>Total</b>		<b>1,074,176.67</b>

### Risk

1.1.6.3 The accuracy of the financial statements could be in doubt.

### Recommendation

1.1.6.4 The LTA Management should give justification for not disclosing in the general ledger and financial statement the amount of US\$1,074,176.67 withdrawn from the Transitory Account domiciled at the UBALL.

### Management's Response

1.1.6.5 *The sum, US\$1,074,176.67 is part of the total revenues deposited in the UBA Transitory A/c #:2. While the GVG/Connex's contract was still under review during these intervals, most revenues deposited in this new account were distributed between GOL and LTA at a ratio of 61:39 respectively. See Matrix Below for Details of Gross Distribution*

**Matrix 2: Distribution from UBA Transitory A/c #: 2**

			<b>LTA</b>	<b>GOL</b>
<b>Date</b>		<b>Gross Amount</b>	<b>2016</b>	<b>2016</b>
12/4/2015	UBA Transitory A/c #:2	634,055.78	69,082.24	564,973.54
1/7/2016	UBA Transitory A/c #:2	440,120.89	171,647.15	268,473.74
	<b>Total Gross Revenue</b>	<b>1,074,176.67</b>	<b>240,729.39</b>	<b>833,447.28</b>

### Auditor General's Position

1.1.6.6 The assertion by the LTA Management does not address the issue raised. The distribution of the amount was not captured in the payment ledger. Therefore, the LTA Management should be held to account for not recording the transactions in the payment ledger.

### 1.1.7 Payments of international Dues

#### Observations

1.1.7.1 According to paragraph 6 of the Memorandum of Understanding signed amongst the parties on January 30, 2013 states that "UBALL shall ensure that there is no withdrawal from the Transitory Account except the agreed distribution.

1.1.7.2 During the audit, it was observed that LTA made payments of US\$145,294.65 to three International Organizations as dues from the transitory account. There was no evidence that an amendment was made to the MOU for a direct payment from the account to the international organizations. **See table 5 for detail.**

**Table 5: Payments of international dues**

<b>Date</b>	<b>Narration</b>	<b>Amount \$US</b>
2-Dec-15	OWT B/O MFDP/LTA IFO African Telecom. Union	12,500.00
2-Dec-15	OWT B/O MFDP/LTA IFO WATRA	10,000.00
4-Dec-15	BG TRF of 120k Swiss Franc IFO Int'l Telecom Union	122,794.65
<b>TOTAL</b>		<b>145,294.65</b>

### **Risk**

- 1.1.7.3 Failure to adhere to the agreed Memorandum of Understanding is a gross violation of the MOU and could lead to misappropriation of public resources.

### **Recommendations**

- 1.1.7.4 Management should provide justification for the withdrawal of US\$145,294.65 from the MFDP/LTA and Other Fees Transitory Account.

### **Management's Response**

- 1.1.7.5 *Referenced to the approved Budget for 2015/2016, International dues were projected above the total revenues expected for the Fiscal year. As such, GOL & LTA assumed said cost prior to the application of sharing ratios. Besides, parties to the account (MFDP and LTA) did authorize the Bank to initiate said transaction referenced to evidence in our possession. Proof of authorization is here attached for your ready reference.*

### **Auditor General's Position**

- 1.1.7.6 The assertions by the LTA Management are not backed by any documentary evidence. International Dues were not budgeted for in fy2015/2016. The issue raised has to do with transfer from the transitory account without approval; the LTA Management did not provide any joint approval from GoL represented by MfDP and LTA Management. Therefore, the LTA Management should be held to account for the unauthorized transfer.

## **1.1.8 Bank Statements**

### **Observations**

- 1.1.8.1 Regulation R3 (6) of the PFM Act of 2009 states "that the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cash book balance at least every month; and the reconciliation statement shall be filled or recorded in the cash book or reference to the date and number thereof".
- 1.1.8.2 Further, Paragraph 11 of the Memorandum of Understanding signed among the parties on January 30, 2013 states that "the Ministry of Finance shall ensure monthly reconciliation of payment made against the monthly deposit of chargeable fees deposited into the Transitory Account".
- 1.1.8.3 During the audit, it was observed that LTA Management did not provide the bank statements from July 1, 2015 to January 7, 2016 for its United States Dollar and Liberian Dollar, Operational Accounts at the Central Bank of Liberia and the bank statements for the transitory account #1 for the periods under audit.
- 1.1.8.4 LTA failed to present bank reconciliation statements for the MFDP/LTA and other Fees Transitory Account for the period under audit.

### **Risk**

- 1.1.8.5 The accuracy of the closing cash balance reported could be in doubt in the absence of the bank statements for the period under audit
- 1.1.8.6 Error and omission could not be timely detected.

### **Recommendation**

- 1.1.8.7 The Management of LTA should provide the bank statements from July 1, 2015 to January 7, 2016 for its United States Dollar and Liberian Dollar operational Accounts at the CBL and bank statements for the transitory account #1 for the periods under audit.
- 1.1.8.8 Bank reconciliation statements for the MFDP/LTA and other Fees Transitory Account should be performed monthly.

### **Management's Response**

- 1.1.8.9 *Bank statements were provided along with the Bank Reconciliation Statements for the period under review. Copies of the Bank Reconciliations are here attached for your ready reference.*

### **Auditor General's Position**

- 1.1.8.10 The assertions by the LTA Management are not backed by any documentary evidence. Therefore, the LTA Management should be made to provide the bank reconciliation statements for the period mentioned above. .

## **1.1.9 Expenditure above budgetary lines**

### **Observations**

- 1.1.9.1 PFM Regulation E.8 section 1 and 2(h) of the PFM Act of 2009 states that (1) "Where circumstances arise in which the operating requirements of a Government Agency make it necessary to rearrange the budget provision for sub-heads, items or sub-items or sub-sub-items within the ambit of a single head, savings under one Classification may be utilised to provide for extra expenditure under another without affecting the total funds to be disbursed from the head".
- 1.1.9.2 2 (h) "Request for reallocations within an agency between programs may be approved up to a total for the year not exceeding ten (10) per cent of the original appropriation for the program from which the reallocation is to be made".
- 1.1.9.3 During the audit, it was observed that the LTA management expended the amount of US\$641,321.67 on several budgeted lines items as opposed to its US\$475,000.00 approved budget by the Ministry of Finance and Development for fiscal year 2015/2016; thus, creating an unexplained difference of US\$166,321.67. **See table 6 for detail.**

**Table 6: Expenditure above budgetary lines.**

Fiscal Year	Code	Accounts Title	Actual amount per Financial Statements US\$ A	Budgeted Amount US\$ B	Difference US\$ C = A - B
2015/2016	7-014	Physical Asset Insurance	26,614.83	15,000.00	11,614.83
	7-006A	H R Development	180,095.73	75,000.00	105,095.73
	7-010	Lease Rental	434,611.11	385,000.00	49,611.11
<b>Total</b>			<b>641,321.67</b>	<b>475,000.00</b>	<b>166,321.67</b>

### Risk

1.1.9.4 Payments above budgetary limits may lead to misappropriation of public Resources.

### Recommendations

1.1.9.5 Management should provide the source of the extra cash of US\$166,321.67 which was spent over the approved budget for FY 2015/2016.

1.1.9.6 Going forward, the LTA Management must ensure that all expenditures are in the limits set by the budget and in according with the provision of the PFM Regulation above.

### Management's Response

1.1.9.7 *We do acknowledge the difference in the HR Development budget line. Notwithstanding, we under spent from the Physical Asset Insurance budget line in an amount of US\$12,223.01. The US\$64,002.93 difference was both cash and non-cash adjustments that should have been adjusted to retained earnings instead.*

1.1.9.8 *Regarding the Lease Rental Payment, the excess amount represents the cost of re-modelling the building to enable it serves our regulatory needs.*

### Auditor General's Position

1.1.9.9 We acknowledge management acceptance of our findings. However, the justifications given by the LTA Management did not address the issue raised. Therefore, the LTA Management should be held to account for making expenditure above the approved budget.

### 1.1.10 Payments without Budgetary Allocation

#### Observations

1.1.10.1 Regulations B.25 (2 and 2c) of the Public Financial Management Act of 2009 states that (2) "The head of a government agency shall ensure that moneys approved for the Government agency are used lawfully. Expenditure shall not be lawfully incurred expenditure and payment shall be rejected unless the amount is: (c) within the limit or the maximum amount in the approved budget for that fiscal year and subsequent allotments for those specific budget items".



1.1.10.2 During the audit, it was observed that the Management of the LTA made a total payment in the amount of US\$267,514.50 on items that were not inclusive in the approved budget for FY 2015/2016. **See table 7 below for detail.**

**Table 7: Payments without Budgetary Allocation**

Fiscal Year	Account Code	Description	Amount US\$
2015/2016	7-025	Employees Christmas Bonus	231,262.50
	9-003	Office Furniture	13,820.00
	9-004	Office Equipment	22,432.00
<b>Total</b>			<b>267,514.50</b>

### Risk

1.1.10.3 Payments against non-budgetary allocation could overstate the expenditure amount reported in the financial statements for the period.

### Recommendations

1.1.10.4 The LTA Management should provide justification for spending the amount of US\$267,514.50 which was not budgeted in the approved annual budget for FY 2015/2016.

### Management's Response

1.1.10.5 *Relative to Employees' Christmas Bonus, the LTA disagrees. Employees' Christmas Bonus is part of salaries & wages budget line. Relative to Office Furniture and Office Equipment, the LTA agrees. After the relocation exercise from its previous office to the current one, the LTA noticed some of its Office Equipment and Office Furniture got damaged and could not be repaired. However, upon review of its approved Budget, there was no line items for Furniture and Equipment. The LTA was faced with the constraints of making available these items for its smooth operations.*

1.1.10.6 *Therefore the Board of Commissioners authorized budgetary transfers to facilitate the purchase of Office Furniture and Equipment. The transfers did not take total expenditures above the approved expenditures; LTA still operated within the remit of its approved budget.*

### Auditor General's Position

1.1.10.7 *We acknowledge LTA Management assertion in relation to the Christmas bonus. Going forward, the LTA Management should ensure that expenditures are within the limits of the approved budget.*

## 1.1.11 Fuel Distribution Logs

### Observations

1.1.11.1 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”.

1.1.11.2 During the audit, it was observed that the LTA Management made payment for 6,500 gallons of fuel/gasoline which amounted to US\$21,972.50 without evidence of a distribution log for three months ( July 1, 2015 to September 30, 2015) **See table 8 for details**

**Table 8: Fuel Distributions log**

Month	Vendor	# of Gallons	Unit Price US\$	Amount US\$
July	Super Petroleum Company	2,300	3.41	7,843.00
August	Aminata and Son Inc	2,750	3.34	9,185.00
September	Aminata and Son Inc	1,450	3.41	4,944.50
<b>Total</b>		<b>6,500</b>		<b>21,972.50</b>

### **Risk**

1.1.11.3 In the absence of a distribution logs, the authenticity of the consumption of the fuel/gasoline cannot be ascertained.

### **Recommendation**

1.1.11.4 The LTA Management should provide the distribution logs for the fuel/gasoline consumed for the months of July, August & September 2015.

### **Management’s Response**

1.1.11.5 *Acknowledged. There were Fuel Distribution Logs for the total quantity of fuel purchased. However, some of the Logs got missing during the relocation exercise of the LTA from its previous office to the current one.*

### **Auditor General’s Position**

1.1.11.6 The assertion by the LTA Management is not backed by the PFM Act. Therefore, the LTA Management is in breach of Regulations A.20 of the PFM Regulations of 2009.

## **1.1.12 Fuel/Gasoline**

### **Observations**

1.1.12.1 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”.

1.1.12.2 During the audit, it was observed that the Management of LTA procured for FY 2015/16 the total of 81,057.67 gallons of fuel/gasoline amounting to US\$247,620.79 which was allocated into four categories as indicated in the table below. Our analysis of the distribution log showed that the total of 75,987.14 gallons of fuel/gasoline amounting to US\$229,145.29 was distributed; thus resulting into an unexplained variance of 5,079.93 gallons of fuel/gasoline amounting to US\$18,475.50. **See table 9 for detail.**

**Table 9 Fuel/Gasoline**

Category	Total Brought forward & Purchase 2015/2016 A		Distribution B		Variance C = A - B	
	Gallon	Amount US\$	Gallon	Amount US\$	Gallon	Amount US\$
Generator	11,827.27	36,806.55	11,268.47	32,762.20	558.80	4,044.35
Staff Benefit	62,348.50	189812.04	60,511.70	183,935.00	1,836.80	5,877.04
Utility Vehicle	5329.4	16283.35	3,364.53	9,996.64	1,964.87	6,286.71
Contingency	1561.5	4718.85	842.44	2,451.45	719.06	2,267.40
<b>Total</b>	<b>81,066.67</b>	<b>247,620.79</b>	<b>75,987.14</b>	<b>229,145.29</b>	<b>5,079.53</b>	<b>18,475.50</b>

### Risk

1.1.12.3 The accuracy and fairness of the distribution log books cannot be assured.

### Recommendation

1.1.12.4 LTA Management should provide justification for the unexplained difference.

### Management's Response

1.1.12.5 *Acknowledged. As was noted during your review, Fuel Distribution Logs were kept and maintained for more than 93% of the fuel purchased. This was not a deliberate action to only account for 93%. There were Fuel Distribution Logs for the total quantity of fuel purchased. However, some of the Logs got missing during the relocation exercise of the LTA from its previous office to the current one.*

### Auditor General's Position

1.1.12.6 The assertion by the LTA Management is not backed by the PFM Act. Therefore, the LTA Management is in breach of Regulations A.20 of the PFM Regulations of 2009.

## 1.2 Internal Controls Related Issues

### 1.2.1 Corporate Social Responsibility

#### Observations

1.2.1.1 The Committee of Sponsoring Organization of the Tradeway Commission (COSO) Framework on the control activities clearly spread out its guidelines, policies and procedures that help ensure management directives are carried out. They help ensure that the necessary actions are taken to address the risks that may hinder the achievement of the entity's objectives.

1.2.1.2 Control activities occur throughout the organizations, at all level and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance of security as assets and segregation of duties.

1.2.1.3 During the audit, it was observed that the Management of LTA expended the amount of US\$47,575.10 without evidence of an approved policy to guide the corporate social responsibility activities . **See annex 3 for detail**

#### **Risk**

1.2.1.4 In the absence of an approved corporate social responsibility policy, the LTA Management could engage into discretionary corporate social responsibility activities.

#### **Recommendation**

1.2.1.5 The Management of LTA should provide justification why it expended the amount US\$47,575.10 without approved corporate social responsibility policy.

1.2.1.6 The Management of LTA should formulate a corporate social responsibility policy to guide its activities.

#### **Management's Response**

1.2.1.7 *Agreed currently, the LTA has no written policy relative to its corporate social responsibility. However, corporate social responsibilities activities undertaken by the LTA are done to complement GOL's evolving strategic priorities. While there is no laid down policy, corporate social responsibility activities are approved by the Board of Commissioners of the LTA. Relative to your recommendation, the LTA will adopt a written Policy and Procedures to govern and guide the execution of its corporate social responsibility programs.*

#### **Auditor General's Position**

1.2.1.8 We acknowledge management acceptance of our findings. We will make a follow up on the implementation of management's assertion.

### **1.2.2 Audit Committee**

#### **Observations**

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

1.2.2.2 During the audit, it was observed that the LTA Management did not established an Audit Committee

### **Risk**

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

### **Recommendation**

1.2.2.4 The LTA Management should establish an audit committee as require by the PFM Act in order to provide the required oversight on internal and external audit activities

### **Management's Response**

1.2.2.5 *The LTA's Management recognizes the importance of Audit Committee in any organization, where applicable. Management is aware that the Audit Committee assists the board fulfils its corporate governance responsibilities in relation to its financial reporting, internal control systems, risk management system, internal and external audit functions. However, the composition of Audit Committee normally includes Non-Executive Directors (NEDs) who are not involved in the daily operations of the organization. Such composition is difficult if not impossible to have in governmental organizations.*

1.2.2.6 *One of the major reasons of not having effective audit committees in government institution is financial resource constraint. Moreover, the LTA's Board is a working one and is therefore also charge with handling issues that would otherwise require the presence of an effective audit committee as necessitated by best practices.*

1.2.2.7 *Despite this constraint, the LTA has a working bespoke audit committee. The Board of Commissioners considering the internal control, financial and risk environment of the LTA, are members of the audit committee. As a result, the Internal Audit Section reports to the Board of Commissioners functionally and to the Chairperson administratively. The workings of the bespoke audit committee are discussed inter alia during the regular and special meetings of the Board of Commissioners.*

### **Auditor General's Position**

1.2.2.8 *The assertions by the LTA Management are not backed by any provision of the PFM Act of 2009 and its Regulations. Therefore, we maintain our recommendation.*

## **1.2.3 Internal Audit Independence**

### **Observations**

1.2.3.1 The International Standards for Professional Practice of Internal Auditing Paragraph 1100 states that "the internal audit activity maintained by agencies and ministries must be independent, and internal auditors must be objective in performing their work."

1.2.3.2 In addition, Paragraph 1130.A1, of the above Standards states that "Internal Auditors must refrain from assessing specific operations for which they were previously responsible.

Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year”.

- 1.2.3.3 During the audit, it was observed that the Internal Auditor of the LTA was engaged in pre-audit activities, i.e. review and clearance of payment vouchers and other financial transactions before payments are made to vendors and other beneficiaries.

### **Risk**

- 1.2.3.4 The conduct of pre-audit by the internal auditor could be viewed as self-review in the event where the Internal Auditor carries out his post audit responsibilities.
- 1.2.3.5 Additionally, pre-audit is time consuming and could prevent the internal auditor from executing his Annual Audit Plan.

### **Recommendation**

- 1.2.3.6 The internal auditor at the LTA should engage into audit activities that provide independent assurance that the operational risk management, governance and internal control processes are operating effectively.

### **Management’s Response**

- 1.2.3.7 *The processing of transactions within the LTA originates with the user department sending a request for the purchase of goods or services to the offices of the Director of Administration. The Director of Administration working along with the Procurement and Logistics Section conducts the necessary procurement proceedings that lead to purchase of the requested goods or services.*
- 1.2.3.8 *The action of the offices of the Director of Administration and Procurement and Logistics Section is then reviewed and received "Objection" or "No Objection" from the Internal Audit Section. If the action of Internal Audit is "No Objection", the Purchase Order or Payment Request is forwarded to the Finance Section for further payment proceedings. If it is rejected, it is send back to the offices of Director of Administration and procurement Section.*
- 1.2.3.9 *After the relevant Payment Voucher and Check are prepared, they are forwarded to the Internal Audit Section for Pre-audit. The Pre-audit process is where the Payment Voucher and Check are reviewed by Internal Audit to ensure that reasonable assurance exists that the necessary authorization and control procedures have been followed and the amount on the Payment Voucher and Check agrees with the related Payment Request and Invoice. To provide such assurance, Internal Audit re-computes and agrees the figures on the Payment Voucher, Check, Payment Request and Invoice. This is intended to detect and prevent any potential financial and regulatory anomalies at the initial stage of transactions.*
- 1.2.3.10 *To further strengthen the control environment, the Internal Audit Section later conducts Post-audit at which time the emphasis is on control weakness and how it can be improved to prevent future breach of any controls. Therefore, review and initialling of Payment*

*Voucher by Internal Audit which is independent of the preparation of the payment voucher and supporting documents does not impair the independence of Internal Audit but help strengthen the integrity of the transaction cycle by providing an independent assessment or appraisal.*

1.2.3.11 *However, in addition to providing pre-audit activities, the Internal Audit section will conduct audits of various activities of the LTA as per the Internal Audit Plan for fiscal year 2020/2021.*

### **Auditor General's Position**

1.2.3.12 *The assertions by the LTA Management do not address the issue raised. Therefore, we maintain our recommendation.*

## **1.3 IT Related Issues**

### **1.3.1 IT Strategic Plan**

#### **Observations**

1.3.1.1 COBIT 4.1 PO 1.4 provides that a strategic plan should be created in cooperation with relevant stakeholders. It should define how IT goals will contribute to the enterprise's strategic objectives and related costs and risks. It should include how IT will support IT-enabled investments programs, IT services and IT assets. IT should define how the objectives will be met the measurements to be used and the procedures to obtain formal sign-off from the stakeholders.

1.3.1.2 The IT strategic plan should cover investment/operational budget, funding sources, sourcing strategy, acquisition strategy, and legal and regulatory requirements. The strategic plan should be sufficiently detailed to allow for the definition of tactical IT plan.

1.3.1.3 During the audit, we requested LTA to provide the IT Strategic Plan of the entity for review. We observed that the entity does not have an IT Strategic plan. This plan is important in providing the overall IT direction of the entity and how IT can be align with the business plan.

#### **Risk**

1.3.1.4 The non-establishment of an IT strategic plan could result in IT goals not contributing to the department's strategic objectives and related costs and risks.

#### **Recommendation**

1.3.1.5 We recommend that LTA management come up with an IT Strategic Plan that will involve all user departments and be subsequently approved by senior management.

#### **Management's Response**

1.3.1.6 *There is an existing LTA ICT Strategic Plan of 2012-2016 that has just been exhausted and a new plan is about to be drafted for approval. The new plan will cover the period from 2017 to 2019 to include the procurement and installations of LAN/WLAN resources,*



*Internet, Telephony network, new Systems equipment, power backup, hosting of external entities equipment and services, etc.*

### **Auditor General's Position**

1.3.1.7 We acknowledge management's acceptance of our finding. We will make a follow up on the implementation of management's assertion.

### **1.3.2 IT Strategy Committee and IT Steering Committee**

#### **Observations**

1.3.2.1 COBIT 4.1 PO 4.2 requires entities to establish an IT strategy committee at the board level. This committee should ensure that IT governance, as part of enterprise governance, is adequately addressed; advised on strategic direction, and review major investment on behalf of the full board.

1.3.2.2 COBIT 4.1 PO 4.3 requires the establishment of IT steering committee (or equivalent) composed of executive, business and IT management to:

- Determine prioritization of IT enabled investment programs in line with the enterprise's business strategy and priorities.
- Track status of projects and resolve resource conflict.
- Monitor service level and service improvement.

1.3.2.3 During the conduct of the audit, it was observed that LTA does not have an IT Strategy Committee and an IT Steering Committee in place to handle the governance of IT at the entity. The above committees are important in the management of IT resources.

#### **Risk**

1.3.2.4 The non-establishment of an IT strategic committee at the board level could result in IT governance, as part of the enterprise governance and organizational governance may not be adequately managed and adhere to.

#### **Recommendation**

1.3.2.5 We recommend that LTA establishes an IT Strategy Committee and an IT Steering Committee to ensure the proper governance of IT resources.

#### **Management's Response**

1.3.2.6 *The LTA does not have any committee set up to date and No Network to secure its data. Documents for strategy and steering committees will be ready by August 15, 2021.*

### **Auditor General's Position**

1.3.2.7 We acknowledge management's acceptance of our finding. We will make a follow up on the implementation of management's assertion.



### 1.3.3 Lack of Anti-virus

#### Observations

- 1.3.3.1 DS5.9 of Cobit 4.1 requires institutions to put preventive, detective and corrective measures in place (especially up-to-date security patches and virus control) across the organization to protect information systems and technology from malware (e.g., viruses, worms, spyware, spam).
- 1.3.3.2 During our review of the IT environment at LTA, we observed that the entity does not have anti-virus installed on computers being used by employees to carry out their tasks. Most importantly, the entity uses QuickBooks software to input financial transactions and that data is used to prepare the financial statements, but the computer on which the QuickBooks software is installed does not have antivirus.

#### Risk

- 1.3.3.3 IT services could be interrupted, data corruption could occur which could lead to financial statements being misstated.

#### Recommendation

- 1.3.3.4 The management of LTA should obtain an enterprise anti-virus and ensure regular updates.

#### Management's Response

- 1.3.3.5 *The LTA does not have any Virus protection in place protecting its data.' Network virus protection is expected by October15, 2021.*

#### Auditor General's Position

- 1.3.3.6 We acknowledge management's acceptance of our finding. We will make a follow up on the implementation of management's assertion.

### 1.3.4 No Segregation of Duty

#### Observations

- 1.3.4.1 PO4.11 of Cobit 4.1 requires institutions to implement a division of roles and responsibilities that reduces the possibility for a single individual to compromise a critical process. Make sure that personnel are performing only authorized duties relevant to their respective jobs and positions.
- 1.3.4.2 When examining the financial software being used by LTA, we observed the QuickBooks software is not used to process transactions but rather to input manually processed transactions in the system. It was also observed that there is no segregation of duty; all users have the same rights on the system.

#### Risk

- 1.3.4.3 If adequate segregation of duty is not adhered to could lead to changes being made to data which could lead to misstatement in the financial statements.

### **Recommendation**

- 1.3.4.4 The LTA management should procure an Enterprise Resource Planning System which will have adequate segregation of duty.

### **Management's Response**

- 1.3.4.5 *The LTA will procure the Enterprise Resource Planning System that is will be suitable to its accounting needs.*

### **Auditor General's Position**

- 1.3.4.6 We acknowledge management's acceptance of our finding. We will make a follow up on the implementation of management's assertion.

## **1.3.5 LTA QuickBooks System**

### **Observations**

- 1.3.5.1 Cobit A12.3 states that application control and auditability implement business controls, where appropriate, into automated application controls such that processing is accurate, complete, timely, authorized and auditable
- 1.3.5.2 During the audit, it was observed that the QuickBooks system used by the LTA is the premier edition which is very limited for the accounting operations of LTA. It has no proper segregation of duties; user access rights are very broad, meaning anyone can do anything without restrictions within a category.
- 1.3.5.3 Additionally, the entire QuickBooks system was wrongly configured so it still does not have the capability of producing accurate accrual financial statements (ex. Billing items were mapped to the wrong revenue accounts).

### **Risk**

- 1.3.5.4 Using the limited edition for an accounting operation could manipulate the entire QuickBooks system in producing inaccurate financial data.
- 1.3.5.5 Additionally, without access right it could lead to an unauthorized individual entering to the system.

### **Recommendations**

- 1.3.5.6 The Management of LTA should hire a knowledgeable expert as consultant to revamp the QuickBooks system and to train staff to use the system appropriately.
- 1.3.5.7 Also, the Management of LTA should use the enterprise edition instead of the premier edition.

**Management's Response**

1.3.5.8 *Agreed. The LTA will procure and use the enterprise edition of the Quickbooks system.*

**Auditor General's Position**

1.3.5.9 We acknowledge management's acceptance of our finding. We will make a follow up on the implementation of management's assertion.

## 2 ANNEXURES

Annex 1: LTA / GOL Escrow Account UBA					
Type	Date	Num	Memo	Split	Amount
Transfer	09/28/2015	N/A	Funds Transfer of 60% of 155,763.07 of Int'l calls termination paid by Cellcom	11015 · LTA / GOL Escrow Account @ UBA	-93,457.84
General Journal	11/17/2015	112015-SA31	To record 60% withheld on IGMS' funds for October and November, 2015 collection	11015 · LTA / GOL Escrow Account @ UBA	-258,453.83
General Journal	11/17/2015	112015-SA33	To record 60% of IGM's fund transferred to the Escrow A/C by payment made by Cellcom	11015 · LTA / GOL Escrow Account @ UBA	-97,600.33
General Journal	11/20/2015	112015-SA34	To record 60% of IGM's fund transferred to the Escrow A/C by payment made by Lone Star Corp	11015 · LTA / GOL Escrow Account @ UBA	-89,720.15
General Journal	12/01/2015	N/A	To record 60% of IGM Fees transferred to the Escrow A/C from payment made by Lone Star Corp	11015 · LTA / GOL Escrow Account @ UBA	-257,567.84
General Journal	12/01/2015	N/A	To record 60% of IGM Fees transferred to the Escrow A/C from payment made by Lone Star Corp	11015 · LTA / GOL Escrow Account @ UBA	-255,702.88
General Journal	12/21/2015	N/A	To record 60% of IGM Fees transferred to the Escrow A/C from payment made by f IGM Fees transfe...	11015 · LTA / GOL Escrow Account @ UBA	-11,758.32
Transfer	01/07/2016	N/A	Funds Transferred representing 60% of fund paid by Lone Star Cell	11015 · LTA / GOL Escrow Account @ UBA	-263,603.96
Transfer	01/07/2016	N/A	Funds Transferred representing 60% of payment made by Cellcom	11015 · LTA / GOL Escrow Account @ UBA	-111,464.64
Transfer	01/07/2016	N/A	Funds Transferred representing 60% of payment made by Novafone	11015 · LTA / GOL Escrow Account @ UBA	-13,307.86
Transfer	02/05/2016		Funds Transferred representing 60% of IGS payment by Cellcom	11015 · LTA / GOL Escrow Account @ UBA	-113,457.47
Transfer	02/09/2016		Funds Transferred to Escrow A/C representing 60% of IGS fee paid by Novafone	11015 · LTA / GOL Escrow Account @ UBA	-5,183.67
Transfer	02/22/2016		Funds Transferred to Escrow for 60% IGS fee paid by Cellcom	11015 · LTA / GOL Escrow Account @ UBA	-106,606.18
Transfer	03/25/2016		Funds Transfer - 60% IGM Payment by Lone Star	11015 · LTA / GOL Escrow Account @ UBA	-259,348.16
Transfer	04/04/2016		60% of IGM fund paid by Lonestar Corporation	11015 · LTA / GOL Escrow Account @ UBA	-272,093.05
Transfer	06/30/2016		55% of IGM fund paid by Lonestar Corporation	11015 · LTA / GOL Escrow	-270,066.38

<b>Annex 1: LTA / GOL Escrow Account UBA</b>					
<b>Type</b>	<b>Date</b>	<b>Num</b>	<b>Memo</b>	<b>Split</b>	<b>Amount</b>
				Account @ UBA	
Transfer	06/30/2016		60% of IGM fund paid by NOVAFONE	11015 · LTA / GOL Escrow Account @ UBA	-40,929.76
Transfer	06/30/2016		55% of IGM fund paid by Lonestar Corporation	11015 · LTA / GOL Escrow Account @ UBA	-37,393.67
<b>TOTAL</b>					<b>-2,557,715.99</b>

**Annex 3: Corporate Social Responsibility Expenditure for 2015/2016**

No	Date	Check #	Payee	Purpose	Amount US\$
1	07/07/2015	00000630	Shello Memorial Medical Center	LTA's contribution to the people of Foya, Lofa County for	3,000.00
2	07/14/2015	00000643	Found'n for Empowerment of Rural Dwellers	Payment as contribution for FERD to assist with the construction of two clinics in Buah & Dorbor...	8,925.00
3	07/14/2015	00000684	Senior Professionals	Contribution to Senior Professional's sporting activities for the Independence Day's Celebration...	6,000.00
4	07/21/2015	00000705	Ministry of Post & Telecommunication	Contribution to facilitate the commissioning ceremony of IXP	4,500.00
5	08/06/2015	00000761	Boima Fully Sports Center	Settlement of assorted sporting materials made to clubs for Independence Day's Celebration as co...	1,113.00
6	09/29/2015	00000867	Providence Baptist Church	Payment covers LTA contribution to the Providence Baptist Church Father Union's Tiling Project	1,000.00
7	10/16/2015	695345	VASCO Direct, Inc.	Assistance to MOPT for vehicle repair	1,450.00
8	10/23/2015	00000919	Duside Community Sports Association	Corporate social responsibility - sponsoring of ten students	5,000.00
9	10/27/2015	00000932	Benedict B. Troh	Payment of stipend for vacation student assigned to GCA	200.00
10	10/27/2015	00000933	David K. Dunah, II	Payment of stipend for vacation student assigned to GCA	200.00
11	10/27/2015	00000934	Comfort T. Erskine	Payment of stipend for vacation student assigned to IGS	200.00
12	10/27/2015	00000935	Eugenia L. Nagbe	Payment of stipend for vacation student assigned to IGS	200.00
13	10/27/2015	00000937	Emmanuel K. Davis	Payment of stipend for vacation student assigned to LRD	200.00
14	10/27/2015	00000938	Bendu Taylor	Payment of stipend for vacation student assigned to E&T	200.00
15	10/27/2015	00000939	Fitzgerald B. Williams	Payment of stipend for vacation student assigned to E&T	200.00
16	10/27/2015	00000936	Decontee Faire	Payment of incentive for vacation student assigned to the LRD	200.00
17	11/03/2015	00000954	Kids Educational Engagement Project	Assistance for the clearance of computers from the Freeport of Monrovia	1,000.00
18	11/03/2015	00000956	Society of Women Engineers of Liberia	Cpntribution to facilitate its official launch	1,000.00
19	12/03/2015	00001015	Bendu Taylor	Stipend for vacation student for November, 2015	200.00
20	12/03/2015	00001016	Fitzgerald B. Williams	Stipend for vacation student for November, 2015	200.00
21	12/03/2015	00001017	Eugenia L. Nagbe	Stipend for vacation student for November, 2015	200.00
22	12/03/2015	00001018	Decontee Faire	Stipend for vacation student for November, 2015	200.00

*Management Letter on the Financial Statement Audit  
Of the Liberia Telecommunications Authority for the Fiscal  
Period Ended June 30, 2016.*

<b>No</b>	<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Purpose</b>	<b>Amount US\$</b>
23	12/03/2015	00001019	Emmanuel K. Davis	Stipend for vacation student for November, 2015	200.00
24	12/03/2015	00001020	Lavela Johnson	Stipend for vacation student for November, 2015	200.00
25	12/15/2015	00001050	Greater Refuge Temple	Contribution in spreading the words of God in Liberia	2,500.00
26	12/17/2015	00001061	AKA Sorority, Liberia Chapter	Contribution for Omega Project	5,000.00
27	01/05/2016	00001085	Lavela Johnson	Stipend for vacation student for December, 2015	200.00
28	01/21/2016	00001102	Eugenia L. Nagbe	Compensation for intern for December, 2015 & January, 2016	400.00
29	01/21/2016	00001103	Lavela Johnson	Compensation for intern for December, 2015 & January, 2016	400.00
30	01/25/2016	00001112	Henry W. Yallah	Contribution for bereavement (death of his wife)	1,000.00
31	04/12/2016	00001247	Aminata & Sons Gas Station	Fuel coupons purchased for Rep. George S. Mulbah, Sr as LTA's contribution	287.10
32	04/29/2016	00001428	Ruth Ellen Yancy	LTA contribution toward former staff (John Yancy) burial expenses	2,000.00
<b>Total</b>					<b>47,575.10</b>

