



## Management Letter

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

*For the Fiscal Year Ended June 30, 2015*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
December 2020

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## **Acronyms**

| <b>Acronyms/Abbreviations/Symbol</b> | <b>Meaning</b>  |
|--------------------------------------|---|
| AG                                   | Auditor General                                       |
| CPA                                  | Certified Public Accountant                           |
| CGMA                                 | Chartered Global Management Accountant                |
| DSA                                  | Daily Sustenance Allowance                            |
| FAR                                  | Fixed asset Register                                  |
| GAC                                  | General Auditing Commission                           |
| GOL                                  | Government of Liberia                                 |
| IPSAS                                | International Public Sector Accounting Standards      |
| ISSIAs                               | International Standards of Supreme Audit Institutions |
| LACC                                 | Liberia Anti-Corruption Commission                    |
| LD                                   | Liberian Dollars                                      |
| ML                                   | Management Letter                                     |
| NCB                                  | National Competitive Bidding                          |
| NSSRL                                | National Security Strategy of the Republic of Liberia |
| PFM                                  | Public Financial Management                           |
| PPCA                                 | Public Procurement & Concession Commission Act        |
| PPCC                                 | Public Procurement & Concession Commission            |
| PV                                   | Payment Voucher                                       |
| RFQ                                  | Request for quotation                                 |
| UN                                   | United Nations  |
| USD                                  | United state Dollars                                  |

December 31, 2020

Liberia Anti-Corruption Commission  
Congo Town  
Monrovia Liberia

Dear Sir:

**RE: MANAGEMENT LETTER ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA ANTI-CORRUPTION COMMISSION FOR THE FISCAL PERIOD ENDED 30 JUNE 2015.**

The Financial statements of Liberia Anti-Corruption Commission are subject to audit by the Auditor-General (AG) consistent with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

**INTRODUCTION**

The audit of the financial statements of the Liberia Anti-Corruption Commission for the period 2014/2015 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

**SCOPE AND DETERMINATION OF RESPONSIBILITY**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). 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 annual financial statements.

An audit includes:

- Examination on a test basis of evidence supporting the 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 statement presentation.

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

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 matters and/or weaknesses that were not identified.

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

### Key personnel of the Commission

During the period under audit, the following key persons managed the affairs of the commission

| Name                        | Position                              | Tenure       |
|-----------------------------|---------------------------------------|--------------|
| Cllr. James N. Verdier, Jr. | Chairperson                           | 2013-present |
| Cllr. J. Augustine Toe      | Vice Chairperson                      | 2010-present |
| Hon. Charles J.L. Gibson    | Commissioner/Administration           | 2014-Present |
| M. Osman Kanneh             | Commissioner/Enforcement              | 2010-present |
| Aba Hamilton-Dolo           | Commissioner/Education and Prevention | 2014-present |
| Daniel B. Tipayson          | Executive Director                    | 2010-present |
| J. Bernard Nagbe            | Comptroller                           | 2008-present |

### Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Liberia Anti-Corruption Commission during the audit. The audit findings, which were identified during the course of the audit, are stated below.

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

**Monrovia, Liberia**

December 2020

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

This section highlights findings identified during our audit and our recommendations to strengthen the financial, internal control and governance systems of the Liberia Anti-Corruption Commission and improve the operating efficiency.

### 1.1. Financial Issues for Gol Related Transactions

#### 1.1.1 Payments without adequate supporting documents-GOL Fund

##### Observation

1.1.1.1 Regulation P.9 (2) of the Public Finance Management (PFM) Act of 2009 states, "Payments except for statutory transfers and debt service shall be supported by invoices bills and other documents in addition to the payment vouchers".

1.1.1.2 Additionally, section 3.3 (xi) of the LACC Financial Hand Book of 2015 clarifies that supporting documents for expenditure contains Approved Requisitions; Bids/Quotations; Procurement Committee Report Inclusive of Bids Analysis; Signed Contract or Purchase Order; Invoices; Delivery Order/Note and Payment Voucher.

1.1.1.3 We observed that several payments in the amount of **US\$4,947.00** and **L\$1,214,038.76** for goods/services were not adequately supported by the necessary documents such as delivery notes and/or job completion certificate, Local Purchase Order and cash invoices. In some instances, there were no payment vouchers along with the relevant supporting documents for transactions recorded in the ledger. **See Appendix 1 for details.**

1.1.1.4 Additionally, we observed that several business entities/ suppliers from which management procured goods/services in the amounts of **US\$6,287.00** and **L\$1,792,222.76** did not have valid Business Registration and Business Income Tax certificates/Clearances during the period under audit to authenticate the suppliers' compliance with the revenue/tax law of Liberia. **See Appendix 2 for details.**

##### Risk

1.1.1.5 In the absence of adequate supporting documents, the validity of the payment cannot be assured. This could lead to misappropriation of the entity's funds.

1.1.1.6 Transactions with unregistered and non-tax compliance vendor could deprive GOL of the much-needed revenue to implement its programs.

##### Recommendation

1.1.1.7 The Management of LACC should provide all the necessary supporting documents to substantiate the transactions indicated.

1.1.1.8 Going forward, the Management should ensure that payments for goods and services are fully supported by all relevant documents for administrative and audit purposes.

- 1.1.1.9 Further, management should ensure that its supplier of goods/services holds valid Business Registration and Business Income Tax certificates/Clearances before conducting business with them.

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

- 1.1.1.10 *We take note on the job completion certificate for maintenance and will act accordingly to address same in the future. However, all payments listed on Appendix 1 are legitimate and represented maintenance cost. See supporting documents attached.*

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

- 1.1.1.11 The documentation provided by the Management addressed the issue of inadequate supporting documents for the amounts of US\$4,947.00 and L\$1,214,038.76. We acknowledge management's assertion that it will act accordingly to address the issue of job completion certificate in the future and we will make a follow up on the implementation of the assertions during subsequent audit. However, Management did not adequately address the issue raised regarding Business Registration and Business Income Tax certificates/Clearances for vendors. Therefore, we maintain our recommendation.

### **1.1.2 Upgrading of Air Tickets**

#### **Observation**

- 1.1.2.1 Regulation A.16 (2) of the PFM Act of 2009 states "It is the duty of any officer conducting financial business to bring to the notice of the appropriate authority any case where application of the law or financial regulations leads to results that may be contrary to the public interest".
- 1.1.2.2 Additionally, Regulation A.18 (1 and 2) of the PFM Act of 2009 provide that: In circumstances in which application of these regulations or accounting instructions issued in or in accordance with the accounting manual appears to be against the interest of the public, and limitation of time precludes prior reference to higher authority, an officer must act according to his own judgment subject to sub-regulation A18 (2) which requires the immediate reporting of the circumstances.
- 1.1.2.3 We observed that the Management of LACC on several occasions made upward adjustments in the cost of air tickets for foreign travel underwritten by donors. For instance, several air tickets of Economic Class provided by the United Nations (UN) for participation in seminars/conferences were upgraded to Business Class Tickets at an additional cost of **US\$8,366.00** for the LACC boss participating in the seminars. The Management used Part 10 of the Travel Ordinance of 2013/2014, which requires government official to travel on Business Class, as a justification for this expenditure. **See Table 1 below for details.**

**Table 1: Cost of Upgrading Air Tickets; 2014/2015**

| <b>Date</b> | <b>Description</b> | <b>Payee</b> | <b>Check/Reference#</b> | <b>Amount (US\$)</b> | <b>Comment</b>  |
|-------------|--------------------|--------------|-------------------------|----------------------|-----------------|
| 22-May-15   | Upgrading of LACC  | Brussels     | 176798                  |                      | Sponsored by UN |

| Date           | Description                                    | Payee                                | Check/Reference# | Amount (US\$)   | Comment         |
|----------------|--|--------------------------------------|------------------|-----------------|-----------------|
|                | Executive Chairperson Ticket                   | Airline                              |                  | 3,481.00        |                 |
| Sept. 30, 2014 | Upgrading of LACC Executive Chairperson Ticket | Richmars International Travel Agency | 131651           | 4,885.00        | Sponsored by UN |
| <b>Total</b>   |  |                                      |                  | <b>8,366.00</b> |                 |

### Risk

- 1.1.2.4 The failure of Management to report instances where application of the law/regulations leads to results which may be contrary to the public interest as well as the donors could undermine transparency.

### Recommendation

- 1.1.2.5 The Management of LACC should provide material justification for upgrading air ticket to a higher amount than the United Nations or donor rate.
- 1.1.2.6 Going forward, the Management should abide by the rates prescribes by the donors sponsoring the trips to protect the public interest as well as the donor's.
- 1.1.2.7 Further, Management should report instances where application of the law/regulations leads to results which may be contrary to the public and the donor's interest.

### Management's Response

- 1.1.2.8 *There's nowhere in Part 10 of the Travel Ordinance which excludes trips funded by a Donor ticket upgrade. Neither prescribes otherwise method different from what the LACC transacted.*

### Auditor General's Position

- 1.1.2.9 The justification provided by the LACC Management does not address the issue raised. Therefore, we maintain our finding and recommendation.

## 1.1.3 Budget for Special Operation Services

### Observation

- 1.1.3.1 Regulation D.14 (1 and 2) of the Public Finance Management (PFM) Act of 2009 states "(1) Where in the national budget or supplementary appropriations, budgetary classifications are made for expenditures of a confidential nature; the details of such classification shall be presented and agreed with the leadership of the Legislature. (2) After agreeing with Leadership of the Legislature, then the summary, subtotal or total shall be shown in the National Budget or added to another figure in the National Budget or the Supplementary Budget".
- 1.1.3.2 There was no evidence during the audit that the Management of the LACC obtained the approval of the leadership of the Legislature for fund budgeted as confidential expenditure for use under LACC's special operation services budget line.



### **Risk**

- 1.1.3.3 The lack of legislative approval for expenditure classified as confidential expenditure could undermine transparency and lead to misappropriation of the entity's fund.

### **Recommendation**

- 1.1.3.4 The Management of LACC should provide material justification for the classification of expenditure as confidential without the review and approval of the leadership of the Legislature.
- 1.1.3.5 Going forward, the Management should ensure that the details of budgetary appropriation classified as confidential is submitted to the leadership of the Legislature for review and approval prior to inclusion in the entity's budget for the fiscal period.

### **Management's Response**

- 1.1.3.6 *The 2014-2015 fiscal year had Seven Hundred Thousand United States Dollars approved for Special Operations Services. We have enclosed copies for your review and consideration. In Addition to the approved budget for the fiscal year mentioned above, Part XIII: Independence: Cooperation of the LACC Act of August 2008 states "The Commission shall be independent in all its operations. It shall enjoy financial autonomy and operational independence; and shall generally formulate policies and discharge it's functions without regards to political, religious or other social concerns, except to the extent reasonably necessary to further the Commission's general mandate to combat corruption.*

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

- 1.1.3.7 Management provided no evidence that it met the requirement of PFM Regulation D.14 before the expenditure were made. Therefore, we maintain our finding and recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.1.4 Payment for Special Operation Services**

### **Observation**

- 1.1.4.1 Section 3.3 (i-x and xi) of the LACC Financial Hand Book of 2015 provides the step-by-step procedures for the authorization and disbursement of expenditure of the commission. The expenditure should contain supporting documents such as Approved Requisitions; Bids/Quotations; Procurement Committee Report Inclusive of Bids Analysis; Signed Contract or Purchase Order; Invoices; Delivery Order/Note and Payment Voucher.
- 1.1.4.2 Additionally, the National Security Strategy of the Republic of Liberia (NSSRL) lists the LACC as part of public institutions concerned with security matters.
- 1.1.4.3 In terms of Committee of Sponsoring Organization of the Tradeway Commission (COSO) Internal Control Integrated framework, organization should develop policies and the relevant procedures to guide its operations. This will ensure the achievement of established objectives in every area of operation.

1.1.4.4 Our review and analysis of transactions for the LACC Special Operation Services revealed that payments in the amount of **L\$220,650.00** were made for non-security transactions such as DSA, allowances, etc. without the necessary supporting documents such as receipt, travel settlement form, etc. to authenticate the transactions. **See Table 2 below for details.**

1.1.4.5 Additionally, there was no evidence that following the NSSRL, the Management developed policy to regulate its security related transactions to promote accountability and transparency in the use of funds allocated to its Special Operation Services.

1.1.4.6 We observed that funds for Special Operation Services was requested and disbursed to staff within administration. For instance, payment reference#: 20044487 with the amount of **L\$528,000.00** for LACC Enforcement Division special operations was requested by the assistant Procurement Officer and paid to the Executive Secretary.

**Table 2: Non-security transactions without adequate supporting documents; 2014/2015**

| Date         | Description                        | Payee           | Check/Reference # | Amount (L\$)      | Comment                               |
|--------------|------------------------------------|-----------------|-------------------|-------------------|---------------------------------------|
| 06-Mar-015   | Special Operations-allowance       | George Dahn     | 20098499          | 25,350.00         | No evidence of receipt by beneficiary |
| 31-Mar-015   | Special Operations-allowance       | Sam Chayee      | 20044474          | 25,200.00         | No evidence of receipt by beneficiary |
| 29-April-015 | Special Operations services-Travel | Abel Guah       | 20044499          | 63,000.00         | No travel settlement form             |
| 29-April-015 | Special Operations services-Travel | John Bohlen     | 20044500          | 44,100.00         | No travel settlement form             |
| 29-April-015 | Special Operations services-Travel | Samuel Peterson | 20098504          | 63,000.00         | No travel settlement form             |
| <b>Total</b> |                                    |                 |                   | <b>220,650.00</b> |                                       |

**Risk**

1.1.4.7 In the absence of adequate supporting documents, the validity of the payment cannot be assured. This could lead to misappropriation of the entity's fund.

1.1.4.8 The lack of policy to regulate the usage of fund allocated to Special Operation Services could lead to discretionary spending.

**Recommendation**

1.1.4.9 The Management of LACC should provide all necessary supporting documents to substantiate the transactions indicated.

1.1.4.10 Going forward, the Management should adhere to its procedures on processing transaction for non-security related activities.

1.1.4.11 Management should develop policy that regulates its security related transactions to promote accountability and transparency in the use of fund allocated to Special Operation Services.

### **Management's Response**

- 1.1.4.12 *Please be informed that all payments marked Special Operations are security related transactions. Only security related transactions are charged to this budget line. That is why the purposes and utilization is un-disclosed. This occurred rarely and quite uniquely identifiable in the payment file. We acknowledge the requirement for a policy governing Special Operations Services and will ensure a policy is done accordingly.*

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

- 1.1.4.13 Management did not provide the necessary supporting documents for the issue raised. The PFM Act does not exempt security operations from maintaining adequate supporting documentation for proper accountability and expenditure control. Therefore, we maintain our finding and recommendation. We also acknowledge management's assertion that it will ensure policy for Special Operations Services is done accordingly. We will make a follow up on the implementation of the assertions during subsequent audit. Further, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.

## **1.1.5 Adherence to Travel Ordinance**

### **Observation**

- 1.1.5.1 The GoL Travel Ordinance of 2013/2014 provides Annexure II (Travel Settlement Form) for both foreign and domestic travels and requires that the form be filled by the traveler and submitted to the Financial Regulations Unit of the Ministry of Finance and Development Planning within twenty-one (21) days upon return from a trip. The necessary supporting documents should be attached.
- 1.1.5.2 We observed that the LACC Management paid daily sustenance allowance (DSA) and incidental allowances in the amount of **US\$ 12,498.75** and **L\$50,100.00** to staff who travel during the fiscal year without ensuring that the staff filled the Travel Settlement Form and provided the necessary supporting documents such as receipts for incidental allowances expended. **See Appendix 3 for details.**

### **Risk**

- 1.1.5.3 The non-settlement of travel advances undermines the objective of the Travel Ordinance.
- 1.1.5.4 In the absence of receipts, the validity of the incidental expenses cannot be assured. This could lead to misappropriation of the entity's funds.

### **Recommendation**

- 1.1.5.5 The Management of LACC should provide the necessary receipts to substantiate the incidental expenses.
- 1.1.5.6 Going forward, the Management should ensure that staff returning from trip completes the appropriate travel settlement form as requires and attach all the relevant supporting documents for administrative and audit purposes.

### **Management's Response**

1.1.5.7 *In the travel ordinance, you considered 11 & 12 for all categories. That is not the scenario here. Ordinance 11, states "In addition to accommodation and perform allowances, all heads of delegations other than for Presidential, Vice Presidential, Speaker, Chief Justice, President Pro-tempore and Deputy Speaker travels shall be given a lump-sum payment of US \$ 280.00 for telephone, telegraph, internet and official entertainment. Ordinance number 12, all incidental expenses shall be supported by proper receipts, except for gratuity not exceeding 20% of amount disbursed.*

1.1.5.8 *Please look at Ordinance number 27, "In case the visit abroad is sponsored by an external agency that bears the cost of the visit including airfare, lodging along with a nominal allowance for pocket expenses, no additional per diem allowance shall be paid the Government of Liberia. However, a lump sum amount of US \$ 280 to each individual on a delegation".*

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

1.1.5.9 Management did not adequately address the issue raised. All staffs that traveled in an entity are required to complete and submit the travel settlement forms to MFDP (MoF) upon return from trips as well as provide the necessary receipts for expenditure made from incidental funds provided for the trip. Therefore, we maintain our finding and recommendation. Further Management is in breach of the Travel Ordinance.

## **1.1.6 Fuel/Gasoline Management System**

### **Observation**

1.1.6.1 Regulation P.9 (2) of the Public Finance Management (PFM) Act of 2009 states, "Payments except for statutory transfers and debt service shall be supported by invoices bills and other documents in addition to the payment vouchers".

1.1.6.2 Additionally, section 2 of the LACC Transportation Policy provides that:

- Supplies of fuel/gas to utility vehicles shall be allocated based on usage and the drivers shall prepare periodic fuel-consumption report which shall include travel log to track distances and places travelled. This shall form the basis for subsequent supply.
- Fuel/gas for assigned vehicles shall be allocated based on budget and distribution to staff of those vehicles is based on seniority and duties with the same quantity of supply being given to staff of the same level/position.
- At the beginning of each fiscal year (July 1), staff will be notified of their annual and monthly fuel/gas supplies budgetary allocations.

1.1.6.3 We observed that Management made payments in the amount of **L\$1,906,194.30** for fuel/gasoline without evidence of distribution to the end users during the period under audit. There was no fuel/gasoline distribution schedule (log) signed/acknowledged by staff entitled to fuel/gasoline for assigned and utility vehicles to validate the transactions. **See Table 3 below for details.**

1.1.6.4 Additionally, we observed the following weaknesses in the fuel/gasoline management system:

- No evidence that the staff responsible for fuel/gasoline supplied for utility vehicles prepared and submitted fuel/gasoline consumption reports to serve as a basis for subsequent supply to those vehicles as required by the LACC Transportation Policy
- There was no evidence that management developed fuel/gasoline distribution matrix indicating the quantity of fuel/gasoline allocated to staff entitled to fuel/gasoline for assigned and utility vehicles at the beginning of the fiscal period as required by the LACC Transportation Policy.

**Table 3: Fuel/gasoline Procured without evidence of distribution to end-users**

| Date          | Description               | Payee         | Check/Reference no | Amount (L\$)        |
|---------------|---------------------------|---------------|--------------------|---------------------|
| Feb. 27, 2015 | Fuel & lubricants-vehicle | Total Liberia | 20098488           | 628,018.30          |
| Feb. 27, 2015 | Fuel & lubricants-vehicle | Total Liberia | 20098488           | 639,088.00          |
| Feb. 27, 2015 | Fuel & lubricants-vehicle | Total Liberia | 20098488           | 639,088.00          |
| <b>Total</b>  |                           |               |                    | <b>1,906,194.30</b> |

### Risk

1.1.6.5 The lack of fuel/gasoline distribution schedule undermines accountability and transparency and could lead to misappropriation of the entity's funds.

1.1.6.6 Non-compliance to the policy on fuel/gasoline management could lead to waste and abuse of the supply.

### Recommendation

1.1.6.7 The Management of LACC should provide the necessary supporting documents to substantiate the transactions indicated above.

1.1.6.8 Going forward, the Management should ensure that fuel/gasoline for operation is distributed to the end users and the necessary documents retain for administrative and audit purposes. Additionally, the policy on fuel/gasoline management should be fully adhered to.

### Management's Response

1.1.6.9 *All related consumption reports, fuel distribution forms were completed during the period but unfortunately, our former colleagues who handled the task associated with managing fuel did not return the distribution reports/log for inclusion on the payment voucher. The incessant move from one office location to the other made it even worse to locate records stored in boxes improperly labeled. We also had turnover of two Procurement Officers who left the Commission but sadly are deceased.*

### Auditor General's Position

1.1.6.10 Management did not provide the supporting documents for the issue raised. Therefore, we maintain our finding and recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009

## 1.1.7 Variances in the Ledger and Financial Statements Amounts-GOL Fund

### Observation

- 1.1.7.1 Regulation C.8 (2 and 3g) of the PFM Act of 2009 state "(2) A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency. (3g) ensure that all books of accounts under his or her control are correctly posted and kept up-to-date"
- 1.1.7.2 Additionally, section 7.3.1 of the LACC Financial Hand Book of 2015 explains the processes the comptroller needs to follow to ensure check and balances in financial records before the close of a fiscal period.
- 1.1.7.3 We observed that the amount of expenditure per the general ledger for GOL fund do not tally to the expenditure reported in the Financial Statements for the fiscal period. Several of the expenditures 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**. **See Appendix 4 for details.**
- 1.1.7.4 Further, we observed the following issues during our review of the general ledger for 2014/2015:
- Some payment transactions amounting to US\$350.00 were not recorded in the general ledger for GOL fund during the period. **See Table 4 below.**
  - Personnel cost per the approved payroll and voucher amounting to US\$1,393,506.91 was posted to the general ledger as US\$1,603,165.38 thus, leaving a variance of **(US\$209,658.47)**. **See Appendix 5 for details.**

**Table 4: Transactions not recorded in Ledger; 2014-2015**

| Date          | Description                                | Payee            | Check/Reference # | Amount (US\$) |
|---------------|--|------------------|-------------------|---------------|
| Aug. 26, 2014 | Special operation transportation Allowance | Karol Wilson     | 2287882           | 200.00        |
| 27-Jan-15     | Compilation of supreme court's ruling      | S. Taweh Johnson | Nil               | 50.00         |
| 21-Nov-014    | Special operation                          | Abraham Sheriff  | 131691            | 100.00        |
| <b>Total</b>  |  |                  |                   | <b>350.00</b> |

### Risk

- 1.1.7.5 Expenditure for the period could be over/under stated thus leading to misstatement of the Financial Statements.

### Recommendation

- 1.1.7.6 The Management of LACC should provide material justification for the variances indicated.

- 1.1.7.7 Going forward, Management should ensure that its general ledger accurately includes all financial transactions for the period and the amount tally with that of the Financial Statements.

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

- 1.1.7.8 *Please re-evaluate the ledgers all said transactions were recorded accurately*

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

- 1.1.7.9 The documentation provided by the Management addressed the issues in the amounts of US\$350.00 and (US\$209,658.47). However, we maintain our finding and recommendation for the variances of US\$2,567.24 indicated above. Further, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.

### **1.1.8 Difference in Closing Cash Balance**

#### **Observation**

- 1.1.8.1 Regulation I.16 (1) of the PFM Act of 2009 states "At the close of business of the last working day of each month or financial year, whichever is applicable, the accounts shall be balanced off".

- 1.1.8.2 Additionally, section 7.4.1 (i) of the LACC Financial Hand Book of 2015 explains that before closing the financial year, the Comptroller will make sure that all accounts including bank account, cash and advances are reconciled.

- 1.1.8.3 We observed difference of **(US\$269.64)** between the closing cash balance reported in the Financial Statements and the closing cash balance of the General Ledger for the fiscal period ended June 30, 2015. **See Appendix 6 for details**

#### **Risk**

- 1.1.8.4 Differences in closing cash balances could lead to misstatement in the financial statements. The accuracy and completeness of the closing cash balance cannot be assured.

#### **Recommendation**

- 1.1.8.5 The Management of LACC should provide material justification for the differences indicated.

- 1.1.8.6 Going forward, Management should ensure that the closing cash balance reported in the financial statements corresponds with that of the general ledger at the end of the fiscal period.

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

- 1.1.8.7 *The Public Financial Management Regulations provides an additional period of up to 60 days to submit the Financial Statement. Please see I.11 of the PFM Regulations. Additionally, I.16 sub regulation (7) "closure of all Public accounts shall not debar any claim, proceedings or transactions arising from the closure and any transaction or*



*adjustment arising from closed accounts shall be recorded in the public accounts of the year in which such transaction or adjustment is made". Therefore, balances selected on the Ledger is consistent and in conformity with the PFM regulations. Know that the cash balance per ledger as presented in the Table does not stand alone. It has to be reconciled with the bank statement balance to produce the Closing Balance. The closing are decided by the Commission based on the 60 days provision under the PFM regulations.*

**Auditor General's Position.**

- 1.1.8.8 Management did not address the issues raised. There was no evidence that the closing balances reported for the period under audit tie to the ledger. Account balances in the ledger/trial balance at the end of the reporting period should correspond to the closing cash balances of the financial statements. Therefore, we maintain our finding and recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009

**1.1.9 Petty Cash Management**

**Observation**

- 1.1.9.1 Section 6.4.5 of the LACC Financial Hand Book of 2015 explains that Cash in the safe must be counted, and signed against in the safe-cash book at minimum one time per week. The cash is counted by its custodian and one additional person, preferably the Comptroller. All cash transactions have to be reconciled at the end of the month, using the cash counting form.

- 1.1.9.2 There was no evidence that regular count of petty cash was conducted by independent senior personnel during the period to ensure check and balances in the management of petty cash.

**Risk**

- 1.1.9.3 The lack of regular petty cash count provides opportunity for diversion of cash to personal use which could lead to misstatement of the financial statements.

**Recommendation**

- 1.1.9.4 Going forward, Management should conduct regular cash count to ensure that cash on hand for the purpose of petty spending tallies with the petty cash record at all times. Senior personnel independent of the receipt and disbursement process of petty cash should assume this responsibility for transparency and accountability.

**Management's Response**

- 1.1.9.5 *We take note and will act accordingly.*

**Auditor General's Position**

- 1.1.9.6 We acknowledge Management's acceptance of our recommendation. We will make a follow up on the implementation of our recommendation during subsequent audit.



### 1.1.10 Deficiencies in the preparation of bank reconciliation statement

#### Observation

- 1.1.10.1 Regulation R3 of the PFM Act 2009 provides that “the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.”
- 1.1.10.2 During the examination of Bank Reconciliations, we observed differences in the closing bank balance from the bank statement posted for reconciliation. **See Table 5 below.**
- 1.1.10.3 Further, we observed the following issues during our review of the bank reconciliation statements:
- No evidence that bank reconciliations were prepared for the months of July, 2014 and May, 2015 for accounts domicile at the Central Bank of Liberia during the fiscal period under audit.
  - Bank charges were incorrectly reconciled. For instances, bank charges were over stated during the process of reconciliation. **See Table 6 below.**

**Table 5: Differences in bank closing balance posted for Reconciliation; 2014/2015**

| Description          | Account No.    | Month      | Closing Balance per Bank Statement | Closing bank balance posted for reconciliation | Variance         |
|----------------------|----------------|------------|------------------------------------|--|------------------|
| Ecobank- USD Account | 11134701660203 | June, 2015 | 59,396.18                          | 7,243.30                                       | <b>52,152.88</b> |

**Table 6: Bank charges incorrectly reconciled; 2014/2015**

| Month      | Account #                  | Description                        | Amount per Bank statement |          | Amount per Reconciliation statement/cash book |           | Variance |             |
|------------|----------------------------|------------------------------------|---------------------------|----------|---|-----------|----------|-------------|
|            |                            |                                    | US\$                      | L\$      | US\$  | L\$       | US\$     | L\$         |
| June, 2015 | ECO-USD - 0011134701660203 | Bank service charge for June, 2015 | 120.00                    | -        | 236.00  | -         | (116.00) | -           |
| June, 2015 | ECO-LRD - 0010134701660201 | Bank service charge for June, 2015 | -                         | 7,605.00 | -   | 23,315.00 | -        | (15,710.00) |

#### Risk

- 1.1.10.4 Closing cash balance indicated in the financial statements may be misstated due to errors on the bank reconciliation statement.

1.1.10.5 Failure to prepare bank reconciliation and properly reconcile the transactions could lead to the untimely detection and correction of errors or omissions.

### Recommendation

1.1.10.6 The LACC Management should provide material justification for differences in the bank closing cash balances posted for reconciliation. Also, Management should provide material justification for not preparing bank reconciliation and properly reconciling bank charges as indicated.

1.1.10.7 Going forward, Management should ensure that bank reconciliation statements for all bank accounts are properly prepared on a monthly basis to detect and correct errors and omissions on a timely basis.

### Management's Response

1.1.10.8 *Please review the reconciliation statements for the balances entered on the reconciliation from both the ledger and the bank statement. That's the period for which the reconciliation was conducted.*

### Auditor General's Position

1.1.10.9 Documents provided by Management were inadequate. There was no evidence that reconciliation for the indicated period was properly performed. Therefore, we maintain our finding and recommendation. Further, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009

## 1.2. Internal Control Related Issues

### 1.1.11 Payments to Third Party

#### Observation

1.1.11.1 Regulation B. 28 of the PFM Act of 2009 states, "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".

1.1.11.2 We observed that the LACC Management made several third-party payments amounting to **L\$90,600.00** in the names of employees for various goods and services rather than make the payments to the service providers or their authorized representatives. **See Table 7 below.**

**Table 7: Payment for Goods/Services in the names of employees; 2014/2015**

| Date         | Description                               | Check/<br>Reference<br># | Payee               |                     | Amount(L\$)      |
|--------------|---|--------------------------|---------------------|---------------------|------------------|
|              |   |                          | Name of<br>Employee | Position            |                  |
| 30-June-015  | Cash adv-office materials for Chairperson | 20091569                 | Saybah F. Massah    | Executive Secretary | 21,000.00        |
| 27-Jan-015   | Other office materials & consumables      | 20098456                 | Benjamin J.T'eh     | Expeditor           | 34,000.00        |
| 11-Dec-014   | Other office materials & consumables      | 20098971                 | Salome Dixon        | Office Assistant    | 35,600.00        |
| <b>Total</b> |   |                          |                     |                     | <b>90,600.00</b> |

### **Risk**

- 1.1.11.3 Payments in the names of employees for procurement of goods and services could be diverted to personal use thus leading to misappropriation of funds.

### **Recommendation**

- 1.1.11.4 The LACC Management should provide material justification for authorizing payments in the names of the employees of LACC instead of the service providers.
- 1.1.11.5 Going forward, all payments for goods and services should be made directly to the service providers/vendors or the authorized legal representative.

### **Management's Response**

- 1.1.11.6 *The Public Financial Management Regulations, "Part Q. Definition of Imprest"*
- 1.1.11.7 *For the purposes of these regulations an imprest is a sum of cash advanced to a public officer to effect payments which are inconvenient to make from Public Funds, using the normal payment procedures as laid down in these regulations.*
- 1.1.11.8 *Q.3 Classes of Imprest (1) The imprests are of two classes or categories, namely standing and special imprest.*
- 1.1.11.9 *(2) Standing Imprests are held throughout the financial year by the imprest-holder and replenished or amount spent recouped when necessary by submission of receipts and paid payment vouchers to the head of government agency for approval and replenishment of the amount spent.*
- 1.1.11.10 *(3) Special Imprests are issued to the imprest holder for making a particular payment, or group of payments and the amount given must be fully retired by the date specified in the approval to operate the imprest.*

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

- 1.1.11.11 Management did not provide the necessary document to substantiate the issue raised and the assertion that these payments were made under the imprest system. Therefore, we maintain our finding and recommendation. Further, Management is in breach of financial discipline in line with Regulation A.20 of PFM Act 2009.

## **1.1.12 Quarterly reports to PPCC**

### **Observation**

- 1.1.12.1 Section 43.9 of the PPCA of 2005 as amended in 2010 requires that "procuring entity shall forward to the Public Procurement & Concessions Commission (PPCC) on a quarterly basis a report for monitoring and evaluation purposes of the contracts awarded during the preceding quarter".
- 1.1.12.2 There was no evidence that the LACC Management prepared and submitted to the PPCC, quarterly reports of contracts awarded during the fiscal period to enable the PPCC conduct monitoring and evaluation on the contracts awarded during the period under audit.

**Risk**

- 1.1.12.3 The lack of monitoring and evaluation report could lead to inefficiency in the monitoring of contracts by PPCC thus, undermining accountability and transparency.

**Recommendation**

- 1.1.12.4 The LACC Management should ensure that quarterly reports for contracts awarded during the fiscal period are prepared and submitted to PPCC as required.

**Management's Response**

- 1.1.12.5 *LACC have had a serious challenge in its Procurement unit. We have experienced repetitive turnover of Officers responsible for Procurement. Unfortunately, we witness not just turnover but also the sad passing of two of our previous Procurement Officers' after their separation from the Commission. Moreover, we have been challenged with moving from one Office Building to the Other due to the absence of our own facility. All of these conditions have impacted negatively our Public Procurement Processes and records. We were able to hire a Procurement Officer in late 2018. The Procurement unit is now fully staff and adequate systems are being setup to respond to all areas of importance.*

**Auditor General's Position**

- 1.1.12.6 We acknowledge Management's assertions. However, we maintain our finding and recommendation. Further, Management is in breach of Section 43.9 of the PPCC Act of 2005 as amended in 2010

## Prior Year's Audit Matter

### Status of Implementation of Prior Year Audit Recommendations

| Audit Periods                | Audit Findings                    | Recommendations   | Status of Implementation | Comments   |
|------------------------------|-----------------------------------|---|--------------------------|--|
| July 1 2010 to June 30, 2013 | Bank Reconciliation               | The comptroller must comply with the provisions of the financial handbook of the LACC in the preparation of the reconciliation statements. This would ensure that the preparer is separate from the reviewer. The preparer and reviewer must be clearly indicated on the face of the reconciliation statements. | Implemented              | Our review of bank reconciliation revealed that the reconciliation is prepared by the chief accountant and reviewed by the comptroller.  |
| July 1 2010 to June 30, 2013 | Reallocation of Expenditure Items | The Management of LACC should seek authority to transfer funds from one budget code with excess funds to another with a shortfall before incurring expenditure. This would ensure that expenditure is processed in the rightful code and prevent unauthorized reallocations                                     | Not implemented          | There is no evidence that Management has implemented the recommendation.<br>We observed that Management continues to reallocate expenditure form one budget line item to another without seeking authorization as require by the PFM Act of 2009 |
| July 1 2010 to June 30, 2013 | Operational Plan                  | The Management of LACC should develop an operational plan that would ensure that their operations are ethical, orderly, economical, efficient and effective.  | Not implemented          | There is no evidence that Management has developed an operational plan   |
| July 1 2010 to June 30, 2013 | Disaster Recovery Plan            | The Management of LACC should develop a disaster recovery plan.   | Not implemented          | There is no evidence that Management has developed disaster recovery plan  |
| July 1 2010 to June 30, 2014 | Risk Management Policy--yes/ok    | Management of LACC should develop a risk management policy.   | Implemented              | We observed that Management has developed risk management policy that outlines risk mitigation processes and guides the institution's operation against damages and losses   |

### Status of Implementation of Prior Year Audit Recommendations

| Audit Periods                | Audit Findings                | Recommendations   | Status of Implementation | Comments  |
|------------------------------|-------------------------------|---|--------------------------|---|
| July 1 2010 to June 30, 2015 | Fixed Asset Register          | The Management of LACC should establish and maintain a fixed asset register as per the PFM Act of 2009.   | Partially Implemented    | Management has not fully complied with the requirement of the PFM Act of 2009.<br>(a) We observed that the LACC Fixed Asset Register (FAR) does not contain some of the basic information as highlighted by regulation V.4 of the PFM Act of 2009. for instance, the FAR does include the value for some assets |
| July 1 2010 to June 30, 2016 | Information Technology Policy | Management of LACC should develop an Information Technology policy that would enable management carry out its function within the environment in which application systems and controls operate.  | Implemented              | We observed that Management has developed Information Technology Policy that establishes and defines the application systems and controls in which the entity operates.   |
| July 1 2010 to June 30, 2017 | Internal Audit Independence   | Management of LACC should establish a Management Internal Control (MIC) that would review vouchers for compliance issues before they are processed for payment. Management Internal Control is independent of the internal audit and is responsible to ensure that all policies and procedures are complied with before financial transactions are processed. This would ensure that management obtains greater assurance that payments and other activities are in line with internal controls and regulations. In addition, the above would enhance the Internal Auditor's independence and objectivity in performing his/her assurance | Not implemented          | There is no evidence that Management has established Management Internal Control (MIC) that would review vouchers for compliance issues before they are processed for payment. We observed that the internal auditor continues to certify/review vouchers before they are processed for payments.               |

**Status of Implementation of Prior Year Audit Recommendations**

| Audit Periods                | Audit Findings          | Recommendations   | Status of Implementation | Comments   |
|------------------------------|-------------------------|---|--------------------------|--|
|                              |                         | engagements.  |                          |  |
| July 1 2010 to June 30, 2018 | Documenting Information | The Management of the LACC should develop retention requirements for engagement records and maintain audit working papers to support conclusions. This will ensure that management provides evidence for any conclusions in the internal auditor's reports. | Not implemented          | There is no evidence that Management has developed document retention requirements for the institution. We observed that the internal audit reports reviewed were not backed by appropriate working paper and evidence to support the conclusions reached. |

## **APPENDIX**



**Appendix 1: Transactions Without Adequate Supporting Documents; 2014/2015**

| Date         | Description                    | Payee                      | Check/Reference# | Amount (US\$)   | Amount (L\$)        | Comment                                   |
|--------------|--------------------------------|----------------------------|------------------|-----------------|---------------------|---|
| 04-June-015  | Honorarium-security consultant | LR & SONS                  | 1                | 100.00          | -                   | No payment voucher and other documents    |
| 29-June-015  | Repairs & Maintenance vehicles | Africa Motors Liberia inc. | 20091534         | -               | 329,280.00          | No job completion certificate             |
| Nil          | Repairs & Maintenance vehicles | CICA MOTORS                | 20098525         | -               | 104,466.76          | No job completion certificate             |
| 17-June-015  | Repairs & Maintenance vehicles | Redline Motors             | 20098528         | -               | 239,500.00          | No job completion certificate             |
| 17-June-015  | Repairs & maintenance-vehicles | Africa Motors Lib.Inc      | 00211441         | 4,292.00        | -                   | No job completion certificate, bills, etc |
| 17-June-015  | Repairs & Maintenance vehicles | Africa Motors              | 20098539         | -               | 540,792.00          | No job completion certificate, bills, etc |
| 26-June-015  | Repairs & Maintenance vehicles | Africa Motors              | 00211445         | 555.00          | -                   | No job completion certificate, etc.       |
| <b>Total</b> |                                |                            |                  | <b>4,947.00</b> | <b>1,214,038.76</b> |   |

**Appendix 2: Suppliers without Business Registration and Tax Clearances; 2014/2015**

| No. | Date         | Description per Source         | Check #                    | Amount   |          | Comment    |  |
|-----|--------------|--------------------------------|----------------------------|----------|----------|------------|--|
|     |              |                                |                            | US\$     | L\$      |            |  |
| 1   | 29-June-015  | Repairs & Maintenance vehicles | Africa Motors Liberia inc. | 20091534 | -        | 329,280.00 | No tax clearance and business registration |
| 2   |              | Repairs & Maintenance vehicles | CICA MOTORS                | 20098525 | -        | 104,466.76 | No tax clearance and business registration |
| 3   | 17-June-015  | Repairs & Maintenance vehicles | Redline Motors             | 20098528 | -        | 239,500.00 | No tax clearance and business registration |
| 4   | 17-June-015  | Repairs & maintenance-vehicles | Africa Motors Lib.Inc      | 00211441 | 4,292.00 | -          | No tax clearance and business registration |
| 5   | 15-April-015 | Repairs & maintenance-vehicle  | Africa Motors              | 20044479 | -        | 67,452.00  | No tax clearance and business registration |
| 6   | 17-June-015  | Repairs & Maintenance vehicles | Africa Motors              | 20098539 | -        | 540,792.00 | No tax clearance and business registration |
| 7   | 26-June-015  | Repairs & Maintenance vehicles | Africa Motors              | 00211445 | 555.00   | -          | No tax clearance and business registration |
| 8   | 30-April-015 | Advertising & public relations | New Matrix                 | 20098501 | -        | 25,200.00  | No tax clearance and business registration |

**Appendix 2: Suppliers without Business Registration and Tax Clearances; 2014/2015**

| No.          | Date         | Description per Source                       | Check #            | Amount   |                 | Comment             |  |
|--------------|--------------|--|--------------------|----------|-----------------|---------------------|--|
|              |              |  |                    | US\$     | L\$             |                     |  |
| 9            | 18-June-015  | Telecommunications, internet feb. to May 015 | Nas Interglobal    | 00116791 | 1,440.00        | -                   | No tax clearance and business registration |
| 10           | 05-Dec-014   | Telecommunications, internet                 | Nas Interglobal    | 20098967 | -               | 102,600.00          | No business registration                   |
| 11           | 29-Oct-014   | Telecommunications, internet, postage        | Nas Interglobal    | 00390558 | -               | 152,100.00          | No tax clearance                           |
| 12           | 17-June-015  | Stationery-Stationaries for LACC Offices     | Mattar Trading     | 20098529 | -               | 107,856.00          | No tax clearance and business registration |
| 13           | 28-April-015 | Stationery                                   | Mattar Trading Co. | 20044492 | -               | 122,976.00          | No tax clearance and business registration |
| <b>Total</b> |              |  |                    |          | <b>6,287.00</b> | <b>1,792,222.76</b> |  |

**Appendix 3: Daily sustenance allowance and incidental expenses; 2014/2015**

| Date         | Description                           | Payee                | Check/Reference# | Amount   |     | Comment                            |
|--------------|---------------------------------------|----------------------|------------------|----------|-----|------------------------------------|
|              |                                       |                      |                  | US\$     | L\$ |                                    |
| 08-Oct-014   | Foreign trvl-DSA incidental to Vienna | James N. Verdier Jr. | 0131658          | 350.00   | -   | No receipt for incidental expenses |
| 26-Nov-014   | Foreign travel-incidental             | D. Blamo Kofa        | 00131694         | 525.00   | -   | No receipt for incidental expenses |
| 16-Jan-015   | Foreign travel-DSA                    | M. Osman Kanneh      | 00131737         | 1,625.00 | -   | No travel settlement form          |
| 16-Jan-015   | Foreign travel-DSA                    | Othello Payman, I    | 00131736         | 1,625.00 | -   | No travel settlement form          |
| 28-Jan-015   | Foreign travel-incidental             | Othello Payman, I    | 00131758         | 350.00   | -   | No receipt for incidental expenses |
| 28-Jan-015   | Foreign travel-incidental             | M. Osman Kanneh      | 00131759         | 350.00   | -   | No receipt for incidental expenses |
| 06-Mar-015   | Foreign travel-incidental             | James N. Verdier     | 00181354         | 350.00   | -   | No receipt for incidental expenses |
| 06-Mar-015   | Foreign travel-incidental             | Charles Gibson       | 00181355         | 350.00   | -   | No receipt for incidental expenses |
| 23-April-015 | Foreign Travel-DSA                    | James N. Verdier Jr. | 00176752         | 1,830.00 | -   | No travel settlement form          |

**Appendix 3: Daily sustenance allowance and incidental expenses; 2014/2015**

| Date         | Description                                  | Payee               | Check/Reference# | Amount           |                  | Comment                            |
|--------------|--|---------------------|------------------|------------------|------------------|------------------------------------|
|              |  |                     |                  | US\$             | L\$              |                                    |
| 08-May-015   | Foreign travel-incidental                    | Othello S. Payman   | 00176773         | 350.00           | -                | No receipt for incidental expenses |
| 08-May-015   | Foreign travel-incidental                    | Tarweh Johnson      | 00176774         | 350.00           | -                | No receipt for incidental expenses |
| 08-May-015   | Foreign travel-incidental                    | Marc Kollie         | 00176775         | 350.00           | -                | No receipt for incidental expenses |
| 21-May-015   | Foreign travel-incidental                    | Mohammed Fahnbulleh | 00176797         | 350.00           | -                | No receipt for incidental expenses |
| 27-May-015   | Foreign travel-incidental                    | James Verdier       | 00211405         | 700.00           | -                | No receipt for incidental expenses |
| 27-May-015   | Foreign travel-incidental                    | Othello S Payman    | 00211411         | 700.00           | -                | No receipt for incidental expenses |
| 28-May-015   | Foreign travel-DSA                           | James Verdier       | 00211414         | 1,543.75         | -                | No travel settlement form          |
| 21-Nov-014   | Domestic travel-trans. allow for LNP Officer | Karol Wilson        | 00131689         | 200.00           | -                | No evidence of recipient           |
| 17-Dec-014   | Domestic travel-Trans allow. for LNP Officer | Karol Wilson        | 00131715         | 200.00           | -                | No evidence of recipient           |
| 23-Jan-015   | Domestic travel-dsa                          | Karol Wilson        | 00131749         | 200.00           | -                | No evidence of recipient           |
| 23-Feb-015   | Domestic Travel-trans. allowance             | Karol Wilson        | 00131778         | 200.00           | -                | No evidence of recipient           |
| 08-Jan-015   | Domestic travel-DSA for trip to Sinoe        | Appleton Artis      | 20098994         | -                | 25,050.00        | No evidence of recipient           |
| 12-Jan-015   | Domestic travel-DSA for trip to Sinoe        | Abraham Sheriff     | 20098995         | -                | 25,050.00        | No travel settlement form          |
| <b>Total</b> |  |                     |                  | <b>12,498.75</b> | <b>50,100.00</b> |                                    |

**Appendix 4: Variance between General Ledger and Financial Statements amounts; 2014/2015**

| Line item<br>A                             | Amount per<br>ledger<br>B | Amount per<br>Financial<br>Statements<br>C | Variences<br>D=(B-A) |
|--|---------------------------|--|----------------------|
| Repairs and Maintenance-Vehicles           | 78,858.31                 | 78,876.31                                  | (18.00)              |
| Other office Materials and consumables     | 37,992.15                 | 37,063.11                                  | 929.04               |
| Honorarium                                 | 1,603,165.38              | 1,603,198.36                               | (32.98)              |
| Special operation and services             | 74,243.05                 | 72,267.05                                  | 1,976.00             |
| Foreign travel daily subsistence allowance | 12,087.00                 | 12,281.00                                  | (194.00)             |
| Domestic Travel-DSA                        | 1,256.59                  | 1,349.41                                   | (92.82)              |
| <b>Total</b>                               | <b>1,807,602.48</b>       | <b>1,805,035.24</b>                        | <b>2,567.24</b>      |

**Appendix 5: Variance between voucher and Ledger amounts; 2014/2015**

| Month/Date<br>A | Description<br>B                       | Amount per<br>voucher<br>C   | Amount per<br>ledger<br>D    | Variance<br>E=(C-D) |
|-----------------|--|------------------------------|------------------------------|---------------------|
|                 |  | Total Payroll Cost<br>(US\$) | Total Payroll<br>Cost (US\$) |                     |
| July, 2014      | Payroll cost for the month of July     | 114,285.00                   | 105,666.70                   | 8,618.30            |
| August, 2014    | Payroll cost for the month of August   | 114,285.00                   | 94,007.68                    | 20,277.32           |
| September, 2014 | Payroll cost for the month of Septmber | 114,475.00                   | 128,836.50                   | (14,361.50)         |
| October, 2014   | Payroll cost for the month of October  | 115,058.33                   | 120,427.22                   | (5,368.89)          |
| November, 2014  | Payroll cost for the month of November | 110,408.33                   | 100,296.65                   | 10,111.68           |
| December, 2014  | Payroll cost for the month of December | 111,034.33                   | 117,297.95                   | (6,263.62)          |
| January, 2015   | Payroll cost for the month of January  | 113,858.33                   | 151,265.18                   | (37,406.85)         |
| February, 2015  | Payroll cost for the month of February | 116,758.33                   | 102,252.68                   | 14,505.65           |
| March, 2015     | Payroll cost for the month of March    | 116,727.33                   | 154,997.41                   | (38,270.08)         |
| April, 2015     | Payroll cost for the month of April    | 115,475.33                   | 114,321.96                   | 1,153.37            |
| May, 2015       | Payroll cost for the month of may      | 120,591.60                   | 136,918.89                   | (16,327.29)         |
| June, 2015      | Payroll cost for the month of june     | 130,550.00                   | 276,876.56                   | (146,326.56)        |
| <b>Total</b>    |  | <b>1,393,506.91</b>          | <b>1,603,165.38</b>          | <b>(209,658.4)</b>  |

**Appendix 6: Closing cash balances per Financial Statements and ledger; 2014/2015**

| <b>A. Cash balance per General Ledger as at June 30, 2015</b> |                  |               |        |                     |                          |                   |
|---|------------------|---------------|--------|---------------------|--------------------------|-------------------|
| Bank/Cash   | Account#         | Cash Balances |        | L\$ conversion Rate | Converted amount in US\$ | Total Cash (US\$) |
|   |                  | L\$           | US\$   |                     |                          |                   |
| ECOBANK- USD Account  | 0011134701660203 | -             | 136.70 | -                   | -                        | 136.70            |
| ECOBANK- LD Account   | 0010134701660201 | 2,550.00      | -      | 85.00               | 30.00                    | 30.00             |
| CBL USD Account   | 220630009700     | -             | -      | -                   | -                        | -                 |
| CBL-LD Account  | 120630010100     | -             | -      | -                   | -                        | -                 |
| CBL (STAOP Project A/C)                                       | 220630002813     | -             | 575.00 | -                   | -                        | 575.00            |
| <b>Total-A</b>  |                  |               |        |                     |                          | <b>741.70</b>     |

**B. Cash balance per Financial Statement as at June 30, 2015**

| Bank/Cash                                     | Account#         | Amount (US\$)   |
|---|------------------|-----------------|
| ECOBANK- USD Account (including cash on hand) | 0011134701660203 | 401.00          |
| ECOBANK- LD Account                           | 0010134701660201 | 30.01           |
| CBL USD Account                               | 220630009700     | 1.37            |
| CBL-LD Account                                | 120630010100     | 3.96            |
| STAOP Project- CBL-USD Account                | 220630002813     | 575.00          |
| <b>Total-B</b>                                |                  | <b>1,011.34</b> |
| <b>Total-C (A-B)</b>                          |                  | <b>(269.64)</b> |