



## Management Letter

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

*For the Fiscal Year Ended June 30, 2016*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
December 2020

## Table of Contents

<b>1</b>	<b>DETAILED FINDINGS AND RECOMMENDATIONS</b>	<b>3</b>
<b>1.1.</b>	<b>Financial Issues for Gol Related Transactions</b>	<b>3</b>
1.1.1	Payments without adequate supporting documents-GOL Fund	3
1.1.2	Upgrading of Air Tickets	4
1.1.3	Budget for Special Operation Services	6
1.1.4	Payment for Special Operation Services	7
1.1.5	Adherence to Travel Ordinance	9
1.1.6	Fuel/Gasoline Management System	10
1.1.7	Re-allocation of Budgeted Funds	11
1.1.8	Variances in the Ledger and Financial Statements Amounts-GOL Funds	12
1.1.9	Difference in Closing Cash Balance	14
1.1.10	Petty Cash Management	15
1.1.11	Deficiencies in the preparation of bank reconciliation statement	15
1.1.12	Inconsistencies in the application of the Financial Reporting Framework	17
<b>1.2.</b>	<b>Internal Control Related Issues</b>	<b>18</b>
1.2.1.	Payments to Third Party	18
1.2.2.	Quarterly reports to PPCC	20

## **Acronyms**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
AG	Auditor General
BoC	Body of Commissioners
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
NORAD	Norwegian Agency for Development Cooperation
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 2016**

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 2015/2016 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\$30,901.00** and **L\$9,802,759.97** 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\$29,591.75** and **L\$1,485,027.00** 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 have reviewed the records in question but have discovered that the tax clearance for some of the payments classified as invalid were actually valid at the time of the consummation of business. Voucher number 225, Atlantis Mobile the delivery was well within the tax period. However, delays in settling the vendor payment in November 2015 were no way a violation of the tax obligation of the vendor. The vendor tax clearance was valid during the sales period. Notwithstanding, we can guarantee that we will reinforce inspection on these administrative issues highlighted by you going forward.*

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

- 1.1.1.11 Documents provided by the Management amounted to US\$18,205.00 and L\$4,751,759.00 out of the total amounts of US\$30,901.00 and L\$9,802,759.97 for Appendix 1. Therefore, we have modified our recommendation for Management to account for US\$12,696.00 (30,901.00 - 18,205.00) and L\$5,051,000.97 (9,802,759.97 - 4,751,759.00) without supporting documents. We also acknowledge management's assertion that it will reinforce inspection on the issue raised regarding Business Registration and Business Income Tax certificates/Clearances for vendors going forward. 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.

### **1.1.2 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) and Norwegian Agency for Development Cooperation (NORAD) for participation in seminars/conferences were upgraded to Business Class Tickets at an additional cost of **US\$2,444.45** 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.**

1.1.2.4 Further, it appears like payments on October 29, 2015 with references (342135 and 342136) were duplicated and fraudulent. We observed that the total of US\$1,815 for the two payments was paid to Richmars International Travel Agency both in cash and check for upgrading of tickets for the Executive Chairperson and two different types of receipts were obtained.

**Table 1: Cost of Upgrading Air Tickets; 2015/2016**

Date	Description	Payee	Check/Reference#	Amount (US\$)	Comment
Oct. 29, 2015	Upgrading of LACC Executive Chairperson Ticket	Saybah F. Massah	342135	720.00	Sponsored by UN
Oct. 29, 2015	Upgrading of LACC Executive Chairperson Ticket	Richmars International Travel Agency	342136	1,095.00	Sponsored by UN
24-May-16	Upgrading of LACC Executive Chairperson Ticket	Weasua Air Transport	366049	629.45	NORAD
<b>Total</b>				<b>2,444.45</b>	

**Risk**

1.1.2.5 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.

1.1.2.6 The payments to Richmars International Travel Agency could be duplicated and fraudulent.

**Recommendation**

1.1.2.7 The Management of LACC should provide the necessary supporting documents to substantiate the transactions with Richmars International Travel Agency. Also, Management should provide material justification for upgrading air ticket to a higher amount than the donor rate.

1.1.2.8 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.

1.1.2.9 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**

1.1.2.10 *Adjoining the payment records is an E-copy of a receipt from the Airline versus that from the Travel Agency that sold the Ticket on behalf of the Airline. The Airline is the Flight, actual Carrier that owns the Plane. Whereas, the Travel Agency is the business that sells Air Tickets on behalf of the Airline Company. Now, most Liberian owned businesses do not believe in branding and records. That's not the prerogative of the end users or customers. The branding of their business is not a responsibility of the end user or customer. If RICHMARS INTERNATIONAL TRAVEL AGENCY, choses to have more than one kind of Official Receipt that's not LACC place of focus. We are interested in value for money. Once we acquire what we seek in business fairly, that fine for us. Please see as*



*part of the records you have reviewed a copy of the ticket cost. The first section shows the cost of Ticket in US dollars and EUROS. The total cost for arriving at St. Petersburg, was EUR 1,833.16. This amount is even more than the total cost paid by the LACC. USD \$ 720 + USD \$ 1,095.00 = USD \$ 1,836.00. The international exchange for Euros to Dollars was higher for Euros and even now Euros remain higher than dollars. The Fare and Airline Surcharge and taxes are well under both costs. Am sure one of the two payments, the higher is the ticket cost and the lowest is the Upgrade. Please review a little more carefully before making conclusions about "Fraudulent in 1.1.2.4" There is always difficulty to interpret an Airline ticket by non-frequent flyers. Not all of us are family with Airline Ticketing Systems. Please see attached the E-Ticket justifying the total cost versus the two vouchers of October 29, 2016. The first two payments in October are for the trips to St. Petersburg, Russia and the payment on May 2016, for the trip to Norway. There's nowhere in Part 10 of the Travel Ordinance of 2013 – 2014 which excludes trips funded by a Donor for a ticket upgrade.*

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

- 1.1.2.11 Document provided was inadequate to address the issue raised. The document revealed that Both Richmars International Travel Agency and BRUSSEL AIRLINES were selected for upgrading the tickets (going and returning flights). There is no evidence that the decision was reverted for Richmars International Travel Agency to do the upgrading entirely. However, the receipts provided by Richmars International Travel Agency for the transactions still appear like different types.
- 1.1.2.12 For the issue of upgrading of tickets from Economic to Business Class, Management should have complied with Regulation A.16 (2) of the PFM Act of 2009. 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.

### **1.1.3 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 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 2015-2016 fiscal year had Fifteen 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 **US\$3,000.00** and **L\$13,650.00** were made for non-security transactions such as media coverage, 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.

**Table 2: Non-security transactions Without Adequate Supporting Documents; 2015/2016**

Date	Description	Payee	Check/R eference #	Amount		Comm ent
				US\$	L\$	
14-Apr-016	Special Operations Services- media coverage (Cash advance)	Benjamin J. Teh	0366006	3,000.00	-	No receipts
10-Sept-015	Special Operations services	Roosevelt R. Doe	00062065	-	13,650.00	No receipts
<b>Total</b>				<b>3,000.00</b>	<b>13,650.00</b>	

**Risk**

1.1.4.6 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.

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

**Recommendation**

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

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

1.1.4.10 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**

1.1.4.11 *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**

1.1.4.12 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\$22,840.50** and **L\$168,105.00** 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 **US\$10,836.00 and L\$ 3,138,107.00** 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 Appendix 4 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.

#### 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 Re-allocation of Budgeted Funds**

#### **Observation**

- 1.1.7.1 Regulation E.8 (1) of the PFM Act of 2009 clarifies that where circumstances arise for rearrangement of budget provision, savings under one classification may be utilized to provide for extra expenditure under another without affecting the total funds to be disbursed from the head.
- 1.1.7.2 Additionally, Regulation E.8 (2 and 3) of the PFM Act of 2009 requires Government entities to seek approval from the Deputy Minister for Budget to reallocate from one budgeted code to another. The Deputy Minister for Budget may delegate the power to authorize reallocations to head of government agency, stating clearly the terms and extent of such delegation.
- 1.1.7.3 We observed that the Management of LACC rearranged/reallocated funds in the amount of **US\$28,941.00** and **L\$6,632,777.06** from personnel to telecommunication and repairs and maintenance for the fiscal period under audit without evidence that the reallocation was based on excess funds realized from the budget line item prior to incurring the expenditure under the budget lines with shortfall.
- 1.1.7.4 Additionally, there was no evidence that reallocation during the period was approved by the Deputy Minister for Budget as requires. **See Appendix 5 for details.**

#### **Risk**

- 1.1.7.5 Incurring extra expenditure under a budget line item without evidence of excess funds could lead to over/under statement of expenditure in the budget line item.
- 1.1.7.6 Effecting transactions without evidence of approval from the appropriate authority could result to misappropriation of funds.



### **Recommendation**

- 1.1.7.7 The Management of LACC should provide proof of authorization for fund reallocated from one budget line item to another as well as provide evidence that the reallocation was based on excess funds realized from those budget line items prior to incurring the expenditure under the budget line with a shortfall.
- 1.1.7.8 Going forward, the Management should maintain records of authorization to transfer funds from one budget line to another as well as records of excess funds realized from those budget line items prior to incurring the expenditure under the budget line with shortfall.

### **Management's Response**

- 1.1.7.9 *We have acknowledged your observation and hereby allocate these payments to the appropriate budget lines. Please see attached the Ledger copies of the corrections. They are included in documents under LACC Response 2015-2016 Audit.*

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

- 1.1.7.10 We acknowledge acceptance of our finding. However, documents provided did not address the issue raised. Re-arranging the transactions merely in the ledger does not proof that the procedures for allocation of funds from one line item to another was met. 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

## **1.1.8 Variances in the Ledger and Financial Statements Amounts-GOL Funds**

### **Observation**

- 1.1.8.1 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"
- 1.1.8.2 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.
- 1.1.8.3 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 expenditure were recorded in the general ledger as **US\$1,818,493.28** and reported in the Financial Statements as **US\$1,827,513.18** thus, leaving a variance of **(US\$ 9,019.90)**. **See Appendix 6 for details.**
- 1.1.8.4 Further, we observed the following issues during our review of the general ledger for 2015/2016:
- Some payment transactions in the amount of **US\$8,200.00** and **L\$2,880,899.00** were not recorded in the general ledger for GOL fund. **See Table 3 below.**

- Several payment transactions for personnel and other line items amounting to US\$ 1,474,293.47 and L\$30,885.00 were posted to the general ledger as US\$ 1,679,997.24 and L\$ 24,803.70 thus, leaving a variance of **(US\$205,703.77)** and **L\$ 6,081.30**. See Appendix 7 for details.

**Table 3: Transactions not recorded in the General Ledger; 2015/2016**

Date	Description	Payee	Check/Reference #	Amount	
				US\$	L\$
31, Mar 2016	special operation	Benjamin J.Teh	365637	1,500.00	-
28-Apr-016	Special operations services	Aaron H.Aboah	0366020	370.00	-
04-Mar-016	Special Operations Services	Aaron H. Aboah	0365811	1,830.00	-
04-Mar-016	Special Operations Services	Aaron H. Aboah	0365809	4,500.00	-
15-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304164	-	258,540.00
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304163	-	351,540.00
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304165	-	527,775.00
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304161	-	627,564.00
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304162	-	405,480.00
20-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	2416062	-	710,000.00
<b>Total</b>				<b>8,200.00</b>	<b>2,880,899.00</b>

### Risk

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

### Recommendation

- 1.1.8.6 The Management of LACC should provide material justification for the variances indicated.
- 1.1.8.7 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

- 1.1.8.8 *The LACC has a cashbook/ledger. We have nothing as "Updated Ledger" We however maintains a sorted copies of the Ledger for reporting purposes. Those ledgers most times contains filter at the top. Once the transactions are filtered, only are filtered will appear and if you need to view other transactions you remove the filter. I am attaching a sample copy of the transactions properly recorded in the Ledger.*

### Auditor General's Position

- 1.1.8.9 The variances of (US\$205,703.77) and L\$6,081.30 regarding the issue of wrong posting to the general ledger has been addressed and the issue of transactions not recorded in



the ledger has been modified to L\$2,880,899.00 based on the documents provided by Management. However, we maintain our finding and recommendation for the modified amount and the variance of (US\$9,019.90) indicated above. Further, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.

### **1.1.9 Difference in Closing Cash Balance**

#### **Observation**

1.1.9.1 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".

1.1.9.2 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.

1.1.9.3 We observed difference of **(US\$1,001.37)** 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, 2016. **See Appendix 8 for details**

#### **Risk**

1.1.9.4 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**

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

1.1.9.6 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**

1.1.9.7 *We are forwarding the Bank and Cash Accounts reconciliation for your vivid review. We have come to realize that you might have considered account balances at June 30, each year as the closing date and reconciliation balances you selected were on June 30. 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.**

1.1.9.8 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.

### **1.1.10 Petty Cash Management**

#### **Observation**

1.1.10.1 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.

1.1.10.2 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**

1.1.10.3 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**

1.1.10.4 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**

1.1.10.5 *We take note and will act accordingly.*

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

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

### **1.1.11 Deficiencies in the preparation of bank reconciliation statement**

#### **Observation**

1.1.11.1 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."

1.1.11.2 During the examination of Bank Reconciliations, we observed the following issues:

- No evidence that bank reconciliations were prepared for several months for accounts domicile at the Central Bank of Liberia, Eco bank and United Bank of Africa (UBA) during the fiscal period under audit. **See Table 4 below.**
- Bank charges were incorrectly reconciled. For instances, bank charges were over stated during the process of reconciliation. **See Table 5 below.**

**Table 4: Bank Accounts Not Reconciled for the Period; 2015/2016**

Bank/Account	Months without Reconciliation
UBA- LRD Account	July, 2015
UBA- USD Account	December, 2015
Central Bank USD and LRD Accounts	July, 2015
Eco-Bank USD and LRD Accounts	December, 2015
Central Bank USD and LRD Accounts	December, 2015
Eco-Bank USD and LRD Accounts	May, 2016
Central Bank USD and LRD Accounts	May, 2016
Eco-Bank USD and LRD Accounts	June, 2016
Central Bank USD and LRD Accounts	June, 2016

**Table 5: Bank charges incorrectly reconciled; 2015/2016**

Month	Account #	Description	Amount per Bank statement		Amount per Reconciliation statement		Variance	
			US\$	L\$	US\$	L\$	US\$	L\$
August, 2015	UBA USD A/C#: 53010030002 684	Bank service charge for August, 2015	33.80	-	28.80	-	5.00	-
August, 2015	UBA-LRD- 53010030002 675	Bank service charge for August, 2015	-	2,520.00	-	1,800.00	-	720.00
September, 2015	UBA-LRD- 53010030002 675	Bank service charge for September, 2015	-	3,420.00	-	4,140.00	-	(720.00)
June, 2016	UBA USD A/C#: 53010030002 684	Bank service charge for June, 2016	116.90	-	-	-	116.90	-
June, 2016	UBA-LRD- 53010030002 675	Bank service charge for June, 2016	-	8,329.40	-	-	-	8,329.40

### Risk

- 1.1.11.3 Closing cash balance indicated in the financial statements may be misstated due to errors on the bank reconciliation statement.
- 1.1.11.4 Failure to prepare bank reconciliation and properly reconcile the transactions could lead to the untimely detection and correction of errors or omissions.

### Recommendation

- 1.1.11.5 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.

- 1.1.11.6 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**

- 1.1.11.7 *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**

- 1.1.11.8 There was no evidence that reconciliation for the indicated period was properly performed. Therefore, we maintain our finding and recommendations. Further, Management is in breach of financial discipline in line with Regulation A. 20 of the PFM Act of 2009.

### **1.1.12 Inconsistencies in the application of the Financial Reporting Framework**

#### **Observation**

- 1.1.12.1 International Public Sector Accounting Standards (IPSAS) financial reporting under the Cash Basis as adopted by the GOL comprises two parts: The mandatory primary financial statements to be presented and the voluntary disclosures.

- 1.1.12.2 Part 1 paragraph 1.3.4 of the IPSAS Cash Basis standard defines the mandatory primary financial statements required as:

- Statement of Cash Receipts and Payments
- Statement of Comparison of Budget and Actual Amounts
- Accounting Policies and Explanatory Notes

- 1.1.12.3 Part 2 of the cash basis standard prescribes the voluntary disclosures. This identifies additional accounting policies and disclosures that an entity is encouraged to adopt to enhance its financial accountability and the transparency of its financial statements. These include:

- Going Concern
- Extraordinary Items
- Administered Transactions
- Disclosure of Major Classes of Cash Flows
- Related Party Disclosures
- Disclosure of Assets, Liabilities and Comparison with Budgets
- Assistance Received From Non-Governmental Organizations (NGOs)
- Recipients of External Assistance

- 1.1.12.4 Paragraph 1.3.5 of Part 1 provides that when an entity elects to disclose information prepared on a different basis from cash basis of accounting defined in this Standard or

otherwise required by paragraph 1.3.4 (a & c), such information shall be disclosed in the notes to the financial statements.

- 1.1.12.5 We observed that in addition to the primary mandatory financial statements prescribed by IPSAS Cash Basis, the "Statement of Cash Position" which is not a requirement was presented on the face of the financial statements instead of in the Notes. Statement of Cash Position is accrual in nature and includes balances that take into consideration liabilities which is inconsistent to the IPSAS Cash Basis Reporting.

#### **Risk**

- 1.1.12.6 Failure to fully comply with the IPSAS Cash Basis Financial Reporting Framework undermines accountability of public resources and could lead to misunderstanding of the financial statements by users.

#### **Recommendation**

- 1.1.12.7 The Management of LACC should fully apply the requirements of the IPSAS Cash Basis Financial Reporting Framework and when Management elects to voluntarily disclose additionally information, said disclosure should be in line with the requirements and objectives of Part 2 of the IPSAS Cash Basis Financial Reporting Framework.

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

- 1.1.12.8 *Mandatory as implied means "not without those statements". Notwithstanding, no accrual items or liabilities were recorded on the statement of Cash Position (All Public Funds)". The financial statement is consistent with "Part I paragraph 1.3.4 of the IPSAS Cash Basis standard.*

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

- 1.1.12.9 Management did not address the issues raised. All other statements which management deem necessary to add to the financial statements are considered encouraged disclosure and should be presented in the notes to the financial statements. Therefore, we maintain our finding and recommendations. 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**

### **1.2.1. Payments to Third Party**

#### **Observation**

- 1.1.12.10 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".
- 1.1.12.11 We observed that the LACC Management made several third-party payments amounting to **US\$450.00** and **L\$154,200.00** 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 6 below.**

**Table 6: Payment for Goods/services in the names of employees; 2015/2016**

Date	Description	Check/ Reference#	Payee		Amount	
			Name of Employee	Position	US\$	L\$
11-Sept-015	Other office materials & cons for VC Office	00062067	Gertrude Freeman	Program Assistant/vice chairperson	-	17,600.00
13-May-016	Other office materials & consumables	00068125	Gertrude Freeman	Program Assistant/vice chairperson	-	18,000.00
25-Nov-015	Cash advance-other office materials	00063721	Gertrude B.N Freeman	Program Assistant/vice chairperson	-	17,400.00
11-Sept-015	Special Operations services	00062066	Saybah F. Masah	Executive Secretary	-	22,000.00
23-Oct-015	Purchase of janitorial supplies-Entertainment, representation	00342128	Saybah F. Massah	Executive Secretary	250.00	-
27-Oct-015	Other office materials & consumables	00342134	Gertrude B.N Freeman	Program Assistant/vice chairperson	200.00	-
26-Feb-016	Cash advance-other office materials	00062195	Gertrude B.N Freeman	Program Assistant/vice chairperson	-	17,800.00
08-Jan-016	Purchase of other office supplies	00062163	Getrude B.N.Freeman	Program Assistant/vice chairperson	-	17,400.00
21-Jan-016	Cash adv-purchase of 1 executive Chair	00062174	Salome Dixon	Store room clerk	-	44,000.00
<b>Total</b>					<b>450.00</b>	<b>154,200.00</b>

### Risk

- 1.1.12.12 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

- 1.1.12.13 The LACC Management should provide material justification for authorizing payments in the names of the employees of LACC instead of the service providers.
- 1.1.12.14 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

- 1.1.12.15 *The Public Financial Management Regulations, "Part Q. Definition of Imprest" 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.*
- 1.1.12.16 *Q.3 Classes of Imprest (1) The imprests are of two classes or categories, namely standing and special imprest. (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.*

- 1.1.12.17 (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**

- 1.1.12.18 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.

#### **1.2.2. Quarterly reports to PPCC**

##### **Observation**

- 1.1.12.19 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".

- 1.1.12.20 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**

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

##### **Recommendation**

- 1.1.12.22 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**

- 1.1.12.23 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**

- 1.1.12.24 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

## **APPENDIX**



**Appendix 1: Transactions Without Adequate Supporting Documents; 2015/2016 - Adjustment After Management Letter**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
17-June-016	Purchase of communcation cards	L & L Trading Company	DT	-	810,420.00	No payment voucher and other documents
28-Dec-015	Honorarium	Atlantis Mobile	DT	-	561,852.72	No payment voucher and other documents
31-Mar-016	Payment for servicing of vehicles	CICA Motors	00068106	-	131,942.86	No payment voucher and other documents
27-Oct-015	Purchase of communcation cards	Saksouk Shopping center	00062085	-	145,206.40	No payment voucher and other documents
27-Oct-015	Purchase of communcation cards	Saksouk Shopping center	00062085	-	145,206.80	No payment voucher and other documents
27-Oct-015	Purchase of communcation cards	Saksouk Shopping center	00062085	-	127,782.00	No payment voucher and other documents
30-June-016	Honorarium	Classic Trading Company	DT	-	342,490.33	No payment voucher and other documents
30-June-016	Honorarium	L & L Trading Company	DT	-	650,000.00	No payment voucher and other documents
30-June-016	Honorarium	L & L Trading Company	DT	-	707,839.86	No payment voucher and other documents
30-June-016	Honorarium	Classic Trading Company	DT	-	450,300.00	No payment voucher and other documents
30-June-016	Honorarium	Classic Trading Company	DT	-	435,000.00	No payment voucher and other documents
17-June-016	Purchase of scratchcards	L & L Trading Company	DT	-	520,460.00	No payment voucher and other documents
30-May-016	Payment for repairs	Classic Trading Company	DT	3,700.00	-	No payment voucher and other documents

**Appendix 1: Transactions Without Adequate Supporting Documents; 2015/2016 - Adjustment After Management Letter**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
30-May-016	Payment for parts and servicing	Classic Trading Company	DT	6,700.00	-	No payment voucher and other documents
22-Dec-015	Purchase of official comm.cards	Cellcom Tele.Corp	00342171	596.00	-	No payment voucher and other documents
21-Jan-016	Cash adv-Advertising & public relations	Benjamin J.T'eh	00342191	1,000.00	-	No receipt, request, LPO, delivery notes, etc.
01-April-016	Cash advance-other office materials	Saybah F.Massah	00068110	-	22,500.00	No receipt, LPO, delivery notes, etc.
16-May-016	Other office materials & consumables	Benjamin J.T'eh	0366036	200.00	-	No receipt, request, LPO, delivery notes, etc.
04-Mar-016	Cash advance-Advertising & public relations	Benjamin Kolako	0365805	500.00	-	No receipt
<b>Total</b>				<b>12,696.00</b>	<b>5,051,000.97</b>	

**Appendix 2: Suppliers with expired/no Business Registration and Tax Clearances; 2015/2016**

No	Date	Description per Source	Payee	Check #	Amount		Comment
					US\$	L\$	
1	27-Nov-015	Telecommunication, internet, postage	Atlantis Mobile	00342238	6,270.00	-	Vendor with expired tax clearance and business registration
2	27-Nov-015	Telecommunication, internet, postage	Atlantis Mobile	00342239	7,030.00	-	Vendor with expired tax clearance and business registration
3	27-Nov-015	Telecommunication, internet, postage	Atlantis Mobile	00342240	7,448.00	-	Vendor with expired tax clearance and business registration
4	27-Nov-015	Telecommunication, internet, postage	Atlantis Mobile	00342241	7,476.50	-	Vendor with expired tax clearance and business registration
5	27-Nov-015	Advertising & public relations	Liberia Media & Marketing Services	00063713	-	52,200.00	Vendor with expired tax clearance and business registration
6	01-Dec-015	Advertising & public relations	Heritage Nwespaper	00063714	-	45,675.00	Vendor with expired tax clearance
7	29-Mar-016	Advertising & public relations- ID Cards	Medis Store	0365834	630.00	-	Vendor with expired tax clearance and business registration
8		Advertising, & public relations	Magnet Printing	000365814	260.00	-	Vendor with expired tax clearance
9	05-Oct-015	Entertainment, representation & gifts	Monroe Chicken	00342115	477.25	-	Vendor with no tax clearance and expired business registration
10	29-Dec-015	Repairs & maintenance- vehicles	Divine Destiny	00063749	-	60,900.00	Vendor with no tax clearance
11		Payment for internet subscription	Novafone	00063725	-	540,270.00	Vendor with no tax clearance and business registration
12	14-Dec-015	Guard & Security Services- Nov.015	Protectco Security Company	00063739	-	176,175.00	Vendor with no tax clearance and business registration
13	10-Nov-015	Payment for curtains for comm. offices	Gbardee's Design	00062092	-	255,552.00	Vendor with no tax clearance
14	08-Jan-016	Guard & Security Services- Dec 015	Protectco Sec. Company	00062164	-	303,750.00	Vendor with no tax clearance and business registration
15	29-June-016	Stationery	United Office Sup & Equip	00063843		50,505.00	Vendor with no tax clearance and business registration
<b>Total</b>					<b>29,591.75</b>		

**Appendix 2: Suppliers with expired/no Business Registration and Tax Clearances; 2015/2016**

No	Date	Description per Source	Payee	Check #	Amount		Comment
					US\$	L\$	
						1,485,027.00	

**Appendix 3: Daily Sustenance Allowance Paid to Staff; 2015/2016**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
30-Sept-015	Foreign travel-DSA and incidental to GH.	James N. Verdier	00342112	2,287.50	-	receipt & settlement form
10-May-016	Cash advance-Foreign travel means of trvl	Saybah F. Massah	0366032	240.00	-	No receipt for visa fees
09-June-016	Foreign travel-means of travel-incidental	James N.Verdier Jr.	0365859	350.00	-	No receipt
16-June-016	Foreign travel-means of travel-incidental	J. Augustine Toe	0365870	400.00	-	No receipt
24-Sept-015	Foreign travel-DSA incidental to Nigeria	Abraham B. Sheriff	00123446	500.00	-	No receipt
24-Sept-015	Foreign travel-DSA incidental to Nigeria	Moses Kowo	00123447	500.00	-	No receipt
27-Oct-015	Foreign travel-Incidental allowance	James N. Verdier Jr.	00342137	425.00	-	No receipt
04-Nov-015	Foreign travel-Incidental allowance	J. Augustine Toe	00342145	400.00	-	No receipt
04-Nov-015	Foreign travel-Incidental allowance	Charles J.L Gibson	00342146	400.00	-	No receipt
06-Nov-015	Foreign travel-Incidental allowance	Marc Kollie	00342148	700.00	-	No receipt
06-Nov-015	Foreign travel-Incidental allowance	Appleton Artis	00342150	700.00	-	No receipt
06-Nov-015	Foreign travel-Incidental allowance	D. Blamo Kofa	00342149	700.00	-	No receipt
05-Feb-016	Foreign travel-Incidental allowance	Marc. Kollie	00342252	700.00	-	No receipt
25-May-016	Foreign travel-Incidental allowance	James N. Verdier Jr.	0366043	350.00	-	No receipt
26-Nov-015	Foreign travel-Incidental allowance	James N. Verdier Jr	00342228	350.00	-	No receipt
16-Sept-015	Foreign trvl-DSA	Marc Kollie	00123436	1,730.00	-	Settlement form
29-Jan-016	Foreign travel-DSA	Othello S.Payman	00342198	2,562.00	-	Settlement form
27-Apr-016	Foreign travel-DSA	J.Augustine Toe	0366021	2,928.00	-	Settlement form
10-May-016	Foreign travel-DSA	James N.Verdier Jr.	0366031	1,830.00	-	Settlement form
15-Jan-016	Cash advance-advance for WB DSA	Aba H.Dolo	00342181	2,394.00	-	Settlement form

**Appendix 3: Daily Sustenance Allowance Paid to Staff; 2015/2016**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
15-Jan-016	Cash advance-advance for WB DSA	Daniel B.Tipayson	00342182	2,394.00	-	Settlement form
14-Aug-015	Domestic Travel-DSA	Hosea Stubblefield	00062054	-	8,925.00	Settlement form
14-Aug-015	Domestic Travel-DSA	Aba Hamilton Dolo	00062055	-	19,125.00	Settlement form
14-Aug-015	Domestic Travel-DSA	Victoria Higgins	00062056	-	8,925.00	Settlement form
21-Aug-015	Domestic Travel-DSA	Aba Hamilton Dolo	00062058	-	19,125.00	Settlement form
21-Aug-015	Domestic Travel-DSA	Hosea Stubblefield	00062059	-	8,925.00	Settlement form
21-Aug-015	Domestic Travel-DSA	Victoria Higgins	00062060	-	8,925.00	Settlement form
28-Oct-015	Domestic travel-DSA for trip to Gbarnga	Hosea Stubblefied	00062087	-	3,080.00	Settlement form
28-Oct-015	Domestic travel-DSA for trip to Gbarnga	Victoria Higgins	00062088	-	3,080.00	Settlement form
28-Oct-015	Domestic travel-DSA for trip to Gbarnga	Aba Hamilton-Dolo	00062089	-	6,600.00	Settlement form
28-Oct-015	Domestic travel-DSA for trip to Gbarnga	Robert Jarwleh	00062090	-	4,400.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Samuel Dolo	00062095	-	9,135.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Hosea Stubblefield	00062096	-	9,135.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Denna G.Karnley	00062097	-	13,050.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Moses V. Kowo	00062099	-	13,050.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Robert Jarwleh	00062100	-	13,050.00	Settlement form
12-Nov-015	Domestic travel-DSA-cash advance	Aba Hamilton Dolo	00063703	-	19,575.00	Settlement form
<b>Total</b>				<b>22,840.50</b>	<b>168,105.00</b>	

**Appendix 4: Fuel/gasoline procured without evidence of distribution to end-users**

Date	Description	Payee	Check/Reference#	Amount	
				US\$	L\$
04-May-016	Fuel & lubricants-vehicles	Total Liberia	20516	2,000.00	-
15-Feb-016	Fuel & lubricants-vehicles	Total Liberia	DT-017216	-	828,000.00
07-Jan-016	Fuel & lubricants vehicles	Total Liberia		-	5,423.60
12-Feb-016	Fuel & lubricants-vehicles	Total Liberia		-	828,000.00
14-Aug-015	Fuel & lubricants-vehicles	Total Liberia		-	136,578.40

**Appendix 3: Daily Sustenance Allowance Paid to Staff; 2015/2016**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
14-Aug-015	Fuel & lubricants-vehicles	Total Liberia			-	736,992.50
14-Aug-015	Fuel & lubricants-vehicles	Total Liberia				411,112.50
25-May-016	Fuel & lubricants-vehicles	Total Liberia	365851		4,402.40	-
20-June-016	Fuel & lubricants-vehicles	Total Liberia	DT-0290616		3,000.00	-
30-June-016	Fuel & lubricants vehicles	Total Liberia	DT		-	192,000.00
16-May -016	Fuel & lubricants vehicles	Total Liberia	DT		1,433.60	-
<b>Total</b>					<b>10,836.00</b>	<b>3,138,107.00</b>

**Appendix 5: Expenditure reallocated from one budget item to another; 2015-2016**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
17-June-016	Purchase of communication cards	L & L Trading Company	DT	-	810,420.00	From personnel to telecommunication
27-Nov-015	Payment for internet subscription	Novafone	00063725	-	540,270.00	From personnel to telecommunication
10-Mar-016	Payment for servicing	Africa Motors Lib.	00062152	-	240,990.00	From personnel to repairs and maintenance
31-Mar-016	Payment for servicing of vehicles	CICA Motors	00068106	-	131,942.86	From personnel to repairs and maintenance
27-Oct-015	Purchase of communication cards	Saksouk Shopping center	00062085	-	145,206.40	From personnel to telecommunication
27-Oct-015	Purchase of communication cards	Saksouk Shopping center	00062085	-	145,206.80	From personnel to telecommunication
27-Oct-015	Purchase of communication cards	Saksouk Shopping center	00062085	-	127,782.00	From personnel to telecommunication
17-June-016	Purchase of scratch cards	L & L Trading Company	DT	-	520,460.00	From personnel to telecommunication
17-June-016	Communication cards purchased	L & L Trading Company	DT	-	659,000.00	From personnel to telecommunication
17-June-016	Payment for cards	L & L Trading Company	DT	-	430,600.00	From personnel to telecommunication
20-June-016	Purchase of comm. cards	L & L Trading Company	DT	6,700.00	-	From personnel to telecommunication

**Appendix 5: Expenditure reallocated from one budget item to another; 2015-2016**

Date	Description	Payee	Check/Reference#	Amount		Comment
				US\$	L\$	
08-June-016	Purchase of parts and repairs	Classic Trading Company	DT	6,670.00	-	From personnel to repairs and maintenance
	Payment for parts	Classic Trading Company	DT	4,575.00	-	From personnel to repairs and maintenance
30-May-016	Payment for repairs	Classic Trading Company	DT	3,700.00	-	From personnel to repairs and maintenance
30-May-016	Payment for parts and servicing	Classic Trading Company	DT	6,700.00	-	From personnel to repairs and maintenance
22-Dec-015	Purchase of official comm. cards	Cellcom Tele. Corp	00342171	596.00	-	From personnel to telecommunication
15-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304164		258,540.00	From personnel to repairs and maintenance
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304163		351,540.00	From personnel to repairs and maintenance
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304165		527,775.00	From personnel to repairs and maintenance
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304161		627,564.00	From fuel and lubricant to repairs and maintenance
13-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	1304162		405,480.00	From personnel to repairs and maintenance
20-April-016	Purchase of parts and repairs of vehicles	Classic Trading Company	2416062		710,000.00	From personnel to repairs and maintenance
<b>Total</b>				<b>28,941.00</b>	<b>6,632,777.06</b>	

**Appendix 6: Difference between General Ledger and Financial Statements amounts;  
 2015/2016**

Line item	Expenditure per General Ledger	Expenditure per Financial Statements	Variances
Telecommunication, Internet, Poster and courier	71,440.00	77,940.00	(6,500.00)
Honorarium	1,679,339.64	1,677,819.09	1,520.55
Special operation and services	46,132.69	49,254.09	(3,121.40)
Domestic Travel-DSA	21,580.95	22,500.00	(919.05)
<b>Total</b>	<b>1,818,493.28</b>	<b>1,827,513.18</b>	<b>(9,019.90)</b>



**Appendix 7: Variance between voucher and Ledger amounts; 2015/2016**

Month/Date A	Description B	Payee C	Check/Reference# D	Amount per voucher/payroll E		Amount per ledger F		Variance G=(E-F)	
				US\$	L\$	US\$	L\$	US\$	L\$
29-Sept-015	Foreign travel-Means of Travel	Saybah F.Massah	00342111	240.00	-	35.00	-	205.00	-
28-Jan-016	Foreign travel-Means of Travel-ticket	Air Cote D'Ivoire	00342197	637.76	-	540.60	-	97.16	-
24-Sept-015	Foreign travel-DSA incidental to Nigeria	Margaret Nigba	00123448	500.00	-	82.00	-	418.00	-
12-Nov-015	Domestic travel-DSA	Victoria Higgins	00063702	-	9,135.00	-	5,446.20	-	3,688.80
18-Nov-015	Domestic travel-DSA	Pius Sonpon	00063707	-	21,750.00	-	19,357.50	-	2,392.50
July, 2015	Payroll cost for the month of July	Various	Various	89,050.00	-	99,546.90	-	(10,496.90)	-
August, 2015	Payroll cost for the month of August	Various	Various	120,300.00	-	122,193.39	-	(1,893.39)	-
September, 2015	Payroll cost for the month of Septmber	Various	Various	124,920.97	-	138,787.75	-	(13,866.78)	-
October, 2015	Payroll cost for the month of October	Various	Various	126,675.00	-	126,564.29	-	110.71	-
November, 2015	Payroll cost for the month of November	Various	Various	129,250.00	-	133,791.51	-	(4,541.51)	-

**Appendix 7: Variance between voucher and Ledger amounts; 2015/2016**

Month/Date A	Description B	Payee C	Check/Reference# D	Amount per voucher/payroll E		Amount per ledger F		Variance G=(E-F)	
				US\$	L\$	US\$	L\$	US\$	L\$
December,2015	Payroll cost for the month of December	Various	Various	129,250.00	-	142,714.08	-	(13,464.08)	-
January,2016	Payroll cost for the month of January	Various	Various	125,250.00	-	125,771.11	-	(521.11)	-
February,2016	Payroll cost for the month of February	Various	Various	124,794.74	-	147,541.89	-	(22,747.15)	-
March,2016	Payroll cost for the month of March	Various	Various	125,675.00	-	103,465.03	-	22,209.97	-
April,2016	Payroll cost for the month of April	Various	Various	123,400.00	-	143,903.81	-	(20,503.81)	-
May,2016	Payroll cost for the month of may	Various	Various	127,175.00	-	119,808.38	-	7,366.62	-
June, 2016	Payroll cost for the month of june	Various	Various	127,175.00	-	275,251.50	-	(148,076.50)	-
<b>Total</b>				1,474,293.47	30,885.00	1,679,997.24	24,803.70	<b>(205,703.77)</b>	<b>6,081.30</b>

**Appendix 8: Comparison of closing cash balances per Financial Statements and ledger; 2015/2016**

<b>A. Closing cash balance per General Ledger as at June 30, 2016</b>						
Bank/Cash	Account#	Cash Balances		L\$ conversion Rate	Converted amount in US\$	Total Cash US\$
		L\$	US\$			
UBA- USD Account	53010030002684	-	36.32	-	-	36.32
UBA- LD Account	53010030002675	79,774.98	-	91.00	876.65	876.65
CBL USD Account	220630009700	-	-	-	-	-
<b>CBL (STAOP Project A/C)</b>	<b>220630002813</b>	-	8,950.11	-	-	8,950.11
<b>Total-A</b>						<b>9,863.08</b>

<b>B. closing cash balance per Financial Statement as at June 30, 2016</b>		
Bank/Cash	Account#	Amount in US\$
UBA- USD Account	53010030002684	36.32
UBA- LD Account	53010030002675	876.65
CBL USD Account	220630009700	1.37
STAOP Project- CBL-USD Account	220630002813	8,950.11
Petty Cash (UBA- USD Account)	53010030002684	1,000.00
<b>Total-B</b>		<b>10,864.45</b>
<b>Total-C (A-B)</b>		<b>(1,001.37)</b>