



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT



**On the Audit of the Ministry of  
Commerce and Industry (MoCI)  
Financial Statements**

**For the Period Ended June 30, 2016**

**January 2021**

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

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## **Republic of Liberia**

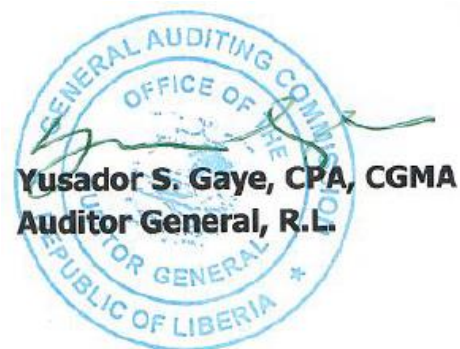


### **The Honourable Speaker of the House of Representatives and the President Pro-Tempore of the House of Senate:**

We have undertaken the audit of the Ministry of Commerce and Industry (MoCI) for the Fiscal Period ended June 30, 2016. The audit was conducted under the Auditor General's statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

Findings conveyed in this report have been formally communicated to the Management of the MoCI. Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

Given the significance of the matters raise in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro-Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.



**Monrovia, Liberia**

January 2021

### Acronyms/Abbreviations/Symbols

| Acronyms/Abbreviations/Symbol | Meaning  |
|-------------------------------|--|
| A/C#                          | Account Number   |
| AG                            | Auditor General  |
| BEP                           | Bid Evaluation Panel   |
| CBL                           | Central Bank of Liberia  |
| COSO                          | Committee of Sponsoring Organizations of the Treadway Commission |
| CPA                           | Certified Public Accountant                                      |
| CVF                           | Counterpart Value Fund   |
| LBDI                          | Liberia Bank for Development and Investment                      |
| GAC                           | General Auditing Commission                                      |
| CBL                           | Central Bank of Liberia  |
| GN                            | GN Bank  |
| GoL                           | Government of Liberia  |
| GSM                           | Global System for Mobile   |
| GST                           | Goods and Services Tax   |
| INTOSAI                       | International Organization of Supreme Audit                      |
| ISSAI                         | International Standards of Supreme Audit Institutions            |
| L\$                           | Liberian Dollars   |
| LBR                           | Liberia Business Registry  |
| M&E                           | Monitoring and Evaluation  |
| MoCI                          | Ministry of Commerce & Industry                                  |
| MOU                           | Memorandum of Understanding                                      |
| MSC                           | Ministerial Steering Committee                                   |
| MSME                          | Micro-Small Medium Enterprise                                    |
| PFM Act                       | Public Finance Management Act                                    |
| LIFE                          | Liberia Innovation fund for Entrepreneurs                        |
| PPC Act                       | Public Procurement Concession Act                                |
| PPCC                          | Public Procurement and Concession Committee                      |
| PVs                           | Payment Vouchers   |
| ToR                           | Terms of Reference   |
| MIPFP                         | Monrovia Industrial Park Fencing Project                         |
| US\$                          | United States Dollar   |
| WHT                           | Withholding Taxes  |
| MIP                           | Monrovia Industrial Park   |
| LMP                           | Liberia Market Place   |
| SRF                           | Special Rice Fund  |
| NASSCORP                      | National Standard Laboratory                                     |
| NSL                           | National Standard Laboratory                                     |
| MFDP                          | Ministry of finance and Development Planning                     |
| PAN                           | Personnel Action Notice  |

## **RE: Auditor General Report on the Audit of the Ministry of Commerce and Industry (MoCI) Financial Statements for the Period Ended June 30, 2016**

We have audited the accompanying financial statement of the Ministry of Commerce and Industry (MoCI) for the Fiscal Period ended June 30, 2016, which comprise the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

### **Responsibilities of the Ministry of Commerce and Industry (MoCI) Management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements.**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified audit opinion.

### **Basis for Adverse Opinion**

There was a net unexplained variance of US\$91,243.91 or 10.91% in expenditures reported in the financial statements as compared to accounting information provided in the Integrated Financial Management Information System (IFMIS).

Unexplained variances of US\$3,561.17 and L\$394,729.15 were shown in the beginning cash balances when the general Ledger/cashbook is compared to beginning balances in the financial statements.

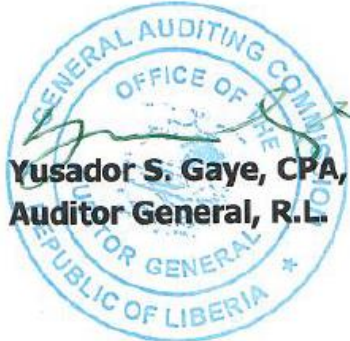

Expenditures amounting to US\$384,999.85, specifically for non-residential building, transport equipment and the development for the Liberia Business Registry (LBR) integrated system were unsupported and were not included in the Financial Statements.

Amounts totaling US\$9,495.00 and L\$543,300.00, respectively, generated from fines, fees were not deposited in the consolidated Fund as required by law.

Management did not include the Explanatory Notes relating to the causes of significant variances between the budget and actual amounts (i.e. revenues and expenditures) as required by the IPSAS Cash Basis Accounting were not disclosed in the financial statements.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion Section of our report, the accompanying financial statements do not give a true and fair view of the financial position of the Ministry of Commerce and Industry as at June 30, 2016 and of its statement of receipts and payments, Statement of Comparison of Budget and Actual Amount for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis.



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

**Monrovia, Liberia**  
January 2021

**MOCI FINANCIAL STATEMENTS 2015 - 2016**

**STATEMENT OF CASH RECEIPTS AND PAYMENTS  
(ALL PUBLIC FUNDS)**

**FOR THE FINANCIAL YEAR ENDED 30th JUNE 20165 (FY2014/15)-**

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

|  | ACCOUNT NUMBER | RECEIPTS         |                     |   | PAYMENTS            |   |          |
|--|----------------|------------------|---------------------|---|---------------------|---|----------|
|  |                | 4                | 5                   | 6 | 7                   | 8 | 9        |
| <b>OPERATIONAL FUND</b>                  |                |                  |                     |   |                     |   |          |
| <b>RECEIPTS</b>                          |                |                  |                     |   |                     |   |          |
| Authorized Allocation/Appropriation      |                | 28,275.00        | 2,283,555.00        |   | 1,784,255.03        |   |          |
| Other Receipts                           |                | -                |                     |   | -                   |   |          |
| <b>External Assistance:</b>              |                |                  |                     |   |                     |   |          |
| Grants From Multilateral Agencies        |                | -                |                     |   | -                   |   |          |
| Grants From Bilateral & Other Agencies   |                | -                |                     |   | -                   |   |          |
| Borrowings from Multilateral Agencies    |                | -                |                     |   | -                   |   |          |
| Borrowings from Bilateral Agencies       |                | -                |                     |   | -                   |   |          |
| Other Grants and Aid                     |                | -                | 0                   |   | -                   |   |          |
| Other Borrowings                         |                | -                |                     |   | -                   |   |          |
| <b>Total Receipts - Operational Fund</b> |                | <b>28,275.00</b> | <b>2,283,555.00</b> |   | <b>1,784,255.03</b> |   | <b>-</b> |



MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

|  |    |                  |                     |  |  |  |                     |  |  |
|--|----|------------------|---------------------|--|--|--|---------------------|--|--|
| <b>PAYMENTS</b>  |    |                  |                     |  |  |  |                     |  |  |
| <b>Operations:</b>                                     |    |                  |                     |  |  |  |                     |  |  |
| Wages, Salaries and Employee Benefits                  | 7  | -                | 1,236,697.00        |  |  |  | 883,714.03          |  |  |
| Supplies and Consumables                               | 8  | 28,275.00        | 502,923.00          |  |  |  | 587,115.88          |  |  |
| <b>TRANSFERS:</b>                                      | 9  |                  |                     |  |  |  |                     |  |  |
| Grants   |    | -                | 446,435.00          |  |  |  | 276,425.12          |  |  |
| Other transfer payments                                |    | -                |                     |  |  |  |                     |  |  |
| <b>CAPITAL EXPENDITURES:</b>                           | 10 |                  |                     |  |  |  |                     |  |  |
| Purchase/Construction of Property, plant and Equipment |    | -                | 97,500.00           |  |  |  | 37,000.00           |  |  |
| Purchase of Financial Instruments                      |    | -                |                     |  |  |  |                     |  |  |
| <b>LOAN &amp; INTEREST REPAYMENTS:</b>                 |    |                  |                     |  |  |  |                     |  |  |
| Loan Repayments  |    |                  |                     |  |  |  |                     |  |  |
| Interest Payments                                      |    |                  |                     |  |  |  |                     |  |  |
| Other Payments   |    |                  |                     |  |  |  |                     |  |  |
| <b>Total Payments - Operational Fund</b>               |    | <b>28,275.00</b> | <b>2,283,555.00</b> |  |  |  | <b>1,784,255.03</b> |  |  |
| <b>Increase/Decrease in Cash</b>                       |    |                  |                     |  |  |  |                     |  |  |

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|  |    |  |  |          |                  |  |  |  |
|--|----|--|--|----------|------------------|--|--|--|
| Cash at the beginning of the year                          |    |  |  |          | 12,416.21        |  |  |  |
| Foreign currency translation difference                    |    |  |  |          | -                |  |  |  |
| <b>Cash at the End of the year - Operational Fund</b>      |    |  |  | 7,780.81 | <b>12,416.21</b> |  |  |  |
| <b>CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)</b> |    |  |  |          |                  |  |  |  |
| <b>RECEIPTS</b>  |    |  |  |          |                  |  |  |  |
| External Assistance:                                       | 11 |  |  |          |                  |  |  |  |
| Grants   |    |  |  | -        | -                |  |  |  |
| Loans  |    |  |  | -        | -                |  |  |  |
| <b>Total Receipts - Capital Development Funds</b>          |    |  |  | -        | -                |  |  |  |
| <b>PAYMENTS</b>  |    |  |  |          |                  |  |  |  |
| <b>Operations:</b>   | 12 |  |  |          |                  |  |  |  |
| Wages, Salaries and Employee Benefits                      |    |  |  | -        | -                |  |  |  |
| Supplies and Consumables                                   |    |  |  | -        | -                |  |  |  |
| <b>TRANSFERS:</b>  | 13 |  |  |          |                  |  |  |  |
| Grants   |    |  |  | -        | -                |  |  |  |
| Other transfer payments                                    |    |  |  | -        | -                |  |  |  |
| <b>CAPITAL EXPENDITURES:</b>                               | 14 |  |  |          |                  |  |  |  |

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|  |    |           |   |   |   |   |           |   |   |
|--|----|-----------|---|---|---|---|-----------|---|---|
| Purchase/Construction of Property, plant and Equipment         | -  | -         | - | - | - | - | -         | - | - |
| Purchase of Financial Instruments                              | -  | -         | - | - | - | - | -         | - | - |
| <b>LOAN &amp; INTEREST REPAYMENTS:</b>                         |    |           |   |   |   |   |           |   |   |
| Loan Repayments  | -  | -         | - | - | - | - | -         | - | - |
| Interest Payments  | -  | -         | - | - | - | - | -         | - | - |
| <b>Other Payments</b>  |    |           |   |   |   |   |           |   |   |
| <b>Total Payments - Capital Development Funds</b>              | -  | -         | - | - | - | - | -         | - | - |
| <b>Increase/Decrease in Cash</b>                               |    |           |   |   |   |   |           |   |   |
| Cash at the beginning of the year                              |    |           |   |   |   |   |           |   |   |
| Net change in cash (receipts less payments)                    |    |           |   |   |   |   |           |   |   |
| Foreign currency translation difference                        |    |           |   |   |   |   |           |   |   |
| <b>Cash at the End of the year - Capital Development Funds</b> |    |           |   |   |   |   |           |   |   |
|  |    |           |   |   |   |   |           |   |   |
| Cash at the Beginning of the year - All Funds                  | 15 | 12,416.21 | - | - | - | - | 12,416.21 | - | - |
|  |    |           |   |   |   |   |           |   |   |
| Cash at the End of the year - All Funds                        | 15 | 7,780.81  | - | - | - | - | 12,416.21 | - | - |



MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (OPERATIONAL FUND)  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE  
 - Budget Approved on the Cash Basis

| DESCRIPTION                                 | Financial Year ended 30 June 2016 |                     |                     |                     | Actual Amount       |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
|   | Actual Amount                     | Final Budget        | Original Budget     | Percentage Variance |                     |
|   | US \$'000                         | US \$'000           | US \$'000           | US \$'000           | US \$'000           |
| <b>CASH INFLOWS</b>                         |                                   |                     |                     |                     |                     |
| Authorized Allocation/Appropriation         | 2,311,830.00                      | 2,464,439.00        | 2,464,439.00        | (152,609.00)        | 1,784,255.03        |
| Grants                                      | -                                 | -                   | -                   | -                   | -                   |
| Borrowings                                  | -                                 | -                   | -                   | -                   | -                   |
| Other receipts                              | -                                 | -                   | -                   | -                   | -                   |
| <b>Total Cash Receipts</b>                  | <b>2,311,830.00</b>               | <b>2,464,439.00</b> | <b>2,464,439.00</b> | <b>(152,609.00)</b> | <b>1,784,255.03</b> |
| <b>CASH OUTFLOWS</b>                        |                                   |                     |                     |                     |                     |
| Wages, Salaries and Other Employee Benefits | 1,236,697.00                      | 1,229,964.00        | 1,229,964.00        | 6,733.00            | 883,714.03          |
| Goods and Services Consumed                 | 531,198.00                        | 686,975.00          | 686,975.00          | (155,777)           | 587,115.88          |
| Capital Expenditure                         | 97,500.00                         | 97,500.00           | 97,500.00           | -                   | 37,000.00           |

MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

|   |                     |                     |                     |                     |            |                     |
|---|---------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Transfers to other Government Units     | 446,435.00          | 450,000.00          | 450,000.00          | (3,565.00)          | (0.79)     | 276,425.12          |
| Other Payments                          | -                   | -                   | -                   | -                   | -          | -                   |
| <b>Total Cash Payments</b>              | <b>2,311,830.00</b> | <b>2,464,439.00</b> | <b>2,464,439.00</b> | <b>(152,609.00)</b> | <b>(7)</b> | <b>1,784,255.03</b> |
| <b>NET CASH FLOW - OPERATIONAL FUND</b> |                     |                     |                     |                     |            |                     |
|   |                     |                     |                     |                     |            | -                   |

MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

**STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)**

AS AT 30 JUNE 2016

| Cash/Bank Account Details           | Currency Held In | 15       |           |            |  |
|-------------------------------------|------------------|----------|-----------|------------|--|
| <b>OPERATIONAL FUND</b>             |                  |          |           |            |  |
| Petty Cash or Imprest               |                  |          |           |            |  |
| Petty Cash A/c 1                    |                  |          |           |            |  |
| Petty Cash A/c 2                    |                  |          |           |            |  |
| <b>Total held in petty cash:</b>    |                  |          |           |            |  |
| <b>Bank Accounts</b>                |                  |          |           |            |  |
| MOC Operational A/C CBL             | US               | 3,381.15 | 1,979.34  | 1,401.81   |  |
| MOC Operational A/C CBL             | LD               | 4,399.66 | 10,436.87 | (6,037.21) |  |
| <b>Total held in Bank Accounts:</b> |                  | 7,780.81 | 12,416.21 | (4,635.40) |  |



MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

|   |  |    |          |           |            |
|---|--|----|----------|-----------|------------|
| <b>Total Cash and Bank Balances at the end of the period (Operational Fund):</b>        |  |    | 7,780.81 | 12,416.21 | (4,635.40) |
| <b><u>CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)</u></b>                       |  | 21 |          |           |            |
| Petty Cash or Imprest   |  |    | -        | -         | -          |
| Petty Cash A/c 1  |  |    |          |           |            |
| Petty Cash A/c 2  |  |    |          |           |            |
| <b>Total held in petty cash:</b>  |  |    | -        | -         | -          |
| <b>Bank Accounts</b>  |  |    |          |           |            |
| Project 1 Bank AC   |  |    |          |           |            |
| Project 2 Bank AC   |  |    |          |           |            |
| <b>Total held in Bank Accounts:</b>   |  |    | -        | -         | -          |
| <b>Total Cash and Bank Balances at the end of the period (Donor Financed Projects):</b> |  |    | -        | -         | -          |

MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF LIBERIA  
 Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2016

|  |  |          |           |            |
|--|--|----------|-----------|------------|
| <b>TOTAL CASH AND BANK<br/>BALANCES - ALL PUBLIC<br/>FUNDS</b> |  | 7,780.81 | 12,416.21 | (4,635.40) |
|--|--|----------|-----------|------------|

The Accounting Policies and Notes set out on pages 19 to 31 form an integral part of the financial statements.

*Axel M. Addy*

**Head of Agency**

.....  
 Date

Name . . .

**Comptroller**

.....  
 Date

*[Signature]*  
 31.06.2016  
*[Signature]*  
 30.06.2016