



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,
2018**



January 2021

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

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Republic of Liberia

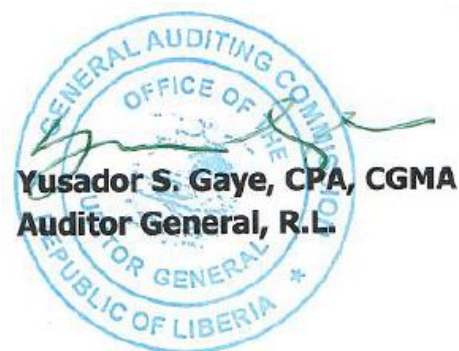


The Honourable Speaker of the House of Representatives and the President Pro-Tempore of the House of Senate:

We have undertaken the audit of the Ministry of Commerce and Industry (MoCI) for the Fiscal Period ended June 30, 2018. 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 raised in this report, we urge the Hon. Speaker and the members of the House of Representatives and Hon. Pro-Tempore and members of the Liberian Senate to consider the implementation of the recommendations conveyed herein with urgency.



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 Fiscal Period Ended June 30, 2018

Adverse Opinion

We have audited the financial statements of Ministry of Commerce and Industry (MoCI) as at June 30, 2018, and the Statements of Cash Receipts and Payments, Budget and Actual Comparison, and Cash Position for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the financial statements do not give a true and fair view in all material respects, the financial position of the Ministry of Commerce and Industry (MoCI) for the Fiscal Period ended June 30, 2018, 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.

Basis for Adverse Opinion

There was a negative variance of US (\$1,109,172.56) in expenditures reported in the financial statements as compared to the accounting information provided in the Integrated Financial Management Information System (IFMIS).

Unexplained variances of US\$3,718.23 and L\$639,513 were shown in the beginning cash balances when the general Leger/cashbook is compared to beginning balances in the financial statements.

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.

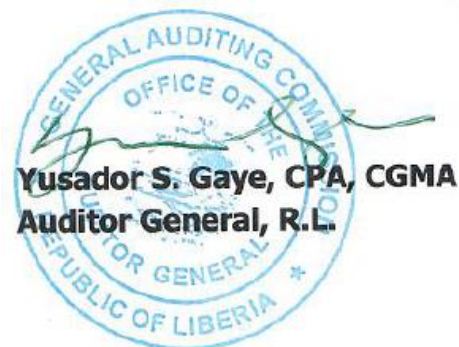
We conducted our audit in accordance with International Standard of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Ministry of Finance & Development Planning in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

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.



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

Monrovia, Liberia

January 2021

MOCI FINANCIAL STATEMENTS 2017 - 2018

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

FOR THE FINANCIAL YEAR ENDED 30th JUNE 2018 (FY2016/17)

RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY US \$'000	PAYMENTS BY OTHER GOVERNMENT ENTITIES US \$'000	PAYMENTS BY EXTERNAL PARTIES US \$'000	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY US \$'000	PAYMENTS BY OTHER GOVERNMENT ENTITIES US \$'000	PAYMENTS BY EXTERNAL PARTIES US \$'000
GENERAL FUND							
RECEIPTS							
Authorized Allocation/Appropriation	4	5,000.00	1,654,382.00		2,495,081.00		
Other Receipts	5			66,949.00	2,495,081.00		
External Assistance:	6						
Grants From Multilateral Agencies							
Grants From Bilateral & Other Agencies							
Borrowings from Multilateral Agencies							
Borrowings from Bilateral Agencies							
Other Grants and Aid							
Other Borrowings							
Total Receipts - General Fund		5,000.00	1,654,382.00	66,949.00	2,495,081.00	0.00	0.00
PAYMENTS							
Operations:	7						
Wages, Salaries and Employee Benefits			1,340,962.00		1,229,923.00		
Supplies and Consumables		4,822.00	3,901.12		692,921.00		
TRANSFERS:	8						
Grants							
Other transfer payments					452,620.00		

INSTITUTION'S NAME, GOVERNMENT OF LIBYA
Report and Financial Statements for the Financial Year ended 30th June 2018

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES
		US \$'000	US \$'000	US \$'000	US \$'000	US \$'000	US \$'000
CAPITAL EXPENDITURES:							
Purchase/Construction of Property, plant and Equipment	9		4,518.00	-	119,545.00	-	
Purchase of Financial Instruments			-	-	-	-	
LOAN & INTEREST REPAYMENTS:	10		-	-	-	-	
Loan Repayments			-	-	-	-	
Interest Payments			-	-	-	-	
Other Payments	11		-	-	-	-	
Total Payments - General Fund		4,822.00	1,654,381.12	0.00	68,572.62	2,495,080.00	
Increase/Decrease in Cash		178.87		0.00	0.00	0.00	
Cash at the beginning of the year		7,188.27			7,188.27		
Foreign currency translation difference					0.00	0.00	
Cash at the End of the year - General Fund		13,008.81	0.00	0.00	7,188.27	0.00	
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)							
RECEIPTS							
Authorized Allocation/Appropriation	12						
Other Receipts	13						
External Assistance:	14						
Grants From Multilateral Agencies							
Grants From Bilateral & Other Agencies							
Borrowings from Multilateral Agencies							
Borrowings from Bilateral Agencies							
Other Grants and Aid							

INSTITUTION'S NAME, GOVERNMENT OF LIBYA
Report and Financial Statements for the Financial Year ended 30th June 2018

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018		FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017	
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY US \$'000	PAYMENTS BY OTHER GOVERNMENT ENTITIES US \$'000	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY US \$'000	PAYMENTS BY OTHER GOVERNMENT ENTITIES US \$'000
Other Borrowings					
Total Receipts - Capital Development Funds		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
PAYMENTS					
Operations:					
Wages, Salaries and Employee Benefits .	15				
Supplies and Consumables					
TRANSFERS:					
Grants	16				
Other transfer payments					
CAPITAL EXPENDITURES:					
Purchase/Construction of Property, plant and Equipment	17				
Purchase of Financial Instruments					
LOAN & INTEREST REPAYMENTS:					
Loan Repayments	18				
Interest Payments					
Other Payments					
Total Payments - Capital Development Funds	19	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Increase/Decrease in Cash		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash at the beginning of the year					
Foreign currency translation difference		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash at the End of the year - Capital Development Funds		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

INSTITUTION'S NAME, GOVERNMENT OF LIBE
 Report and Financial Statements for the Financial Year ended 30th June 2018

FUND/ACCOUNTS DESCRIPTION	NOTES	FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018			FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017		
		RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES	RECEIPTS/PAYMENTS CONTROLLED BY ENTITY	PAYMENTS BY OTHER GOVERNMENT ENTITIES	PAYMENTS BY EXTERNAL PARTIES
Cash at the Beginning of the year - All Funds		US \$'000 7,188.27	US \$'000 0.00	US \$'000 0.00	US \$'000 7,188.27	US \$'000 0.00	US \$'000 0.00
Cash at the End of the year - All Funds		13,008.81	0.00	0.00	7,188.27	0.00	0.00

INSTITUTION'S NAME, GOVERNMENT OF LIBE
 Report and Financial Statements for the Financial Year ended 30th June 2018

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (GENERAL FUND)
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

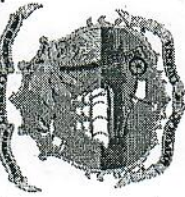
- RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE

- Budget Approved on the Cash Basis

ACCOUNT TITLE/DESCRIPTION	For the Financial Year Ended 30 June 2018 (FY2017/18)					FY2016/17
	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance	Actual Amounts
	US \$'000	US \$'000	US \$'000	US \$'000	%	US \$'000
CASH INFLOWS						
Authorized Allocation/Appropriation	1,659,203.12	1,720,919.00	1,940,283.99	(61,715.88)	(0.035)	2,537,918.00
Grants						
Borrowings						
Other receipts						
Total Cash Receipts	1,659,203.12	1,720,919.00	1,940,283.99	(61,715.88)	(0.035)	2,537,918.00
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	1,340,962.00	1,340,962.00	1,340,962.00	0	0	1,229,923.00
Goods and Services Consumed	313,723.12	375,439.00	594,803.99	(61,715.88)	(0.035)	735,830.00
Capital Expenditure	4,518.00	4,518.00	4,518.00	0	0	119,454.00
Loan Repayment	0	0	0	0	0	0
Payment of Interest	0	0	0	0	0	0
Transfers to other Government Units	0	0	0	0	0	0
Other Payments	0	0	0	0	0	452,620.00
Total Cash Payments	1,659,203.12	7,120,919.00	1,940,283.99	(61,715.88)	(0.035)	2,537,918.00

INSTITUTION'S NAME, GOVERNMENT OF LIBERIA
Report and Financial Statements for the Financial Year ended 30th June 2018

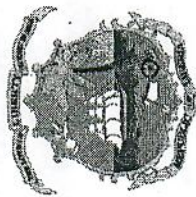
NET CASH FLOW - GENERAL FUND



STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)
AS AT 30 JUNE 2018

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Cash/Bank Account Details	Project Name	Notes	As at 30 June 2018 US \$'000	As at 30 June 2017 US \$'000	Change in Cash Balances US \$'000
GENERAL FUND					
Petty Cash or Imprest		20			
Petty Cash A/c 1					
Petty Cash A/c 2					
Total held in petty cash:					
Bank Accounts					
MoCI Operational A/C CBL	USD		10,542.59	5,768.48	4,774.11
MoCI Operational A/C CBL	LRD		2,456.22	1,419.79	1,036.43
Total held in Bank Accounts:			13,008.81	7,188.27	5,810.54
Total Cash and Bank Balances at the end of the period (General Fund):			13,008.81	7,188.27	5,810.54
CAPITAL DEVELOPMENT FUNDS (DONOR FINANCED PROJECTS)					
Petty Cash or Imprest		21			
Petty Cash A/c 1					
Petty Cash A/c 2					



Report and Financial Statements for the Financial Year ended 30th June 2018

**STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)
AS AT 30 JUNE 2018**

	Notes	As at 30 June 2018 US \$'000	As at 30 June 2017 US \$'000	Change in Cash Balances US \$'000
Bank Accounts				
Total held in Bank Accounts:				
Total Cash and Bank Balances at the end of the period (Donor Financed Projects):				
TOTAL CASH AND BANK BALANCES - ALL PUBLIC FUNDS				

The Accounting Policies and Notes set out on pages 9 to 16 form an integral part of the financial statements.

Professor Wilson K. Tarpeh
MINISTER

November 19, 2018

Date

Filiman S. Sanyon
Comptroller

November 19, 2018

Date

Filiman S. Sanyon
November 19, 2018