



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Audit the National
Identification Registry (NIR)
Financial Statements**

**For the Period ended June 30,
2017**

February 2021

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

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Republic of Liberia

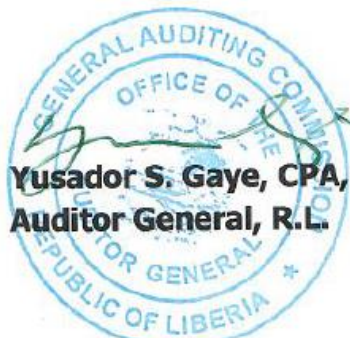


The Honourable Speaker of the House of Representatives and the President Pro- Tempore of the House of Senate:

We have undertaken the audit of the National Identification Registry (NIR) Financial Statements for the financial year ended June 30, 2017. 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 National Identification Registry (NIR). 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.



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

Monrovia, Liberia
February 2021

AUDITOR GENERAL'S REPORT ON THE NATIONAL IDENTIFICATION REGISTRY (NIR) FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2017

We have audited the financial statements of the National Identification Registry (NIR), which comprise the statement of Cash Receipt and Payments for the fiscal year ended, the Statement of Comparison Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

Auditor General's Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph of our report, the accompanying financial statements present fairly the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Qualified Opinion

Financial Statements submitted for audit was not in compliance with IPSAS Cash Basis as adopted by GOL.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting, 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 General's Responsibility


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.

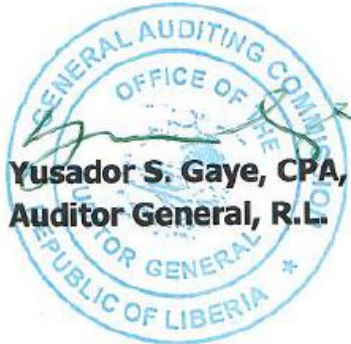
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 our adverse audit opinion.


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



Monrovia, Liberia
February 2021

1 General Information

Registered office: Statistic House, Capitol Hill Monrovia, Liberia

Postal address: Allison Street Congo Town Monrovia Liberia

Review of activities

Main business and operations of National Identification Registry is to design, establish, maintain and administer implement the National Biometric Identification System (NBIS) of the Republic of Liberia.

Results

The Statement of Revenue and Expenditure on page 4 shows a deficit of **US\$(43,564)** for the year ended June 30 2017 and also a Deficit of **US\$(102,906)** for the year ended June 30 2016, whilst the Statements of Funds shows **US\$30,993** as at June 30 2017 (June 30 2016: **US\$77,811** was carried forward as accumulated fund at the end of the year.

To the Government of Liberia (GOL)

We have prepared the financial statements of National Identification Registry as set out on pages 4 to 10, which comprise the Statement of Revenue and Expenditure as at June 30 2017, the Statements of Fund balance and the Statements of cash flow for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

Notes

This Financial Statement was Restated on cash basis accounting principle; where cash was recognized when funds entered into the NIR accounts at CBL.

During the reconciliation with the Ministry of Finance & Development Planning (MFDP), it was established the total allotment received from the MFDP during period July 1, 2016-June 30, 2017 was **US\$621,017.15**. Of said amount, the actual funds received by NIR was **US\$620 390.06**.

Of the **US\$620 390.06**, the amount of **US\$547,896.06** was processed directly into the NIR accounts at CBL; whereas, the amount of **US\$56,000.00** was third party payment done on behave of NIR to Vendor (Rental Payment), while the balance of **US\$16,494.00** was withheld by the MFDP as Income taxes.

National Identification Registry



J. Tiah Nagbe, MSF, ChFC

Executive Director

STATEMENTS OF FUND BALANCES
FOR THE YEAR ENDED 30 JUNE 2017

Figures in US Dollars	Notes	30 JUNE 2017	30 JUNE 2016
Accumulated Fund Balance		_____	_____
Opening Balance		77,811	184,579
Adj unposted Journal		-3,254	-3,861
Surplus/(Deficit)		(43,564)	(102,907)
Accumulated Fund Balance as at 30 June 2017		<u>30,993</u>	<u>77,811</u>

**NATIONAL IDENTIFICATION REGISTRY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

Figures in US Dollars	Notes	30 JUNE 2017	30 JUNE 2016
Cash Flows from operating activities			
Surplus/ (Deficit) for the year		(43,564)	(102,907)
Adjustment for unposted Expenses		(3,254)	(3,861)
Net Cash Generated from operation		<u>(46,818)</u>	<u>(106,768)</u>
Net Increase (decrease) in cash and cash Equivalent		<u>(46,818)</u>	<u>(106,768)</u>
Cash and cash at the beginning of the year		77,811	184,625
Cash at the end of the year		<u>30,993</u>	<u>77,811</u>
		=====	=====
Cash and Cash Equivalents			
Balance at Bank (US A/c)		12,780	10,835
Balance at Bank (LD A/c)		18,213	66,976
Total		<u>30,993</u>	<u>77,811</u>
		=====	=====

ACCOUNTING POLICIES

a. Reporting Registry

National Identification Registry (NIR) was established by an act that repeals PRC Degree 65 in Liberia as Registry on August 11 2011. The address of NIR is Allison Street Congo Town, Monrovia, Liberia. The principal activity of the Registry to design, establish, maintain and administer implement the National Biometric Identification System (NBIS) of the Republic of Liberia.

b. Accounting Policies

The financial statements have been prepared in accordance with generally accepted International accounting principles and the financial regulation of the Government of Liberia. The Financial statement has been prepared using the Cash basis principle.

c. Functional and presentation currency

These financial statements are presented in US Dollars (US\$) which although the Registry functional currency is both US Dollar and Liberia dollar. All amounts have been rounded to the nearest unit, except when otherwise indicated. All Income received from the Government of Liberia and Expenditure incurred in Liberia Dollar is converted to US Dollar for financial statement presentation using the MOFED and vendor rate respectively at the date of the transaction.

d. Fixed Asset Recognition and Disclosure

Tangible fixed asset purchased during the period were expensed in the financial statement. Fixed assets record/register exists mainly for control, monitory and audit trail purpose. However, it is the policy of the Registry not to charge depreciation on fixed of Property Plant and Equipment.

e. Expenditure

Expenditure is recognized when the obligation to pay has been incurred.

NOTES TO THE FINANCIAL STATEMENTS

f. Income/ Revenue Recognition

During the year, the Registry received funds from Government of Liberia. Revenue is recognized in the financial statement when cash is received from the Government of Liberia. No Revenue was recorded from the sales of Identification card in this period

g. Inventories

No inventory value in the Financial Statement in respect to Stationery and other office suppliers were recorded, all items are expensed at the date of purchase, Inventory record are made for monitory and control purpose.

2. Income from Government of Liberia Figures in US Dollars

	30 JUNE 2017	30 JUNE 2016
NIR Deposit	366,520	22,317
Other NIR Deposit	-	137,077
NIR Deposit LD Component	181,376	79,940
	547,896	239,334
	=====	=====
3. General Allowance/Personnel Cost		
Gen Allowance	149,999	448
Other General Allowance	43,196	127,565
	193,195	128,013
	=====	=====
4. Communication Expenses		
Scratch card Allowance	6,540	888
Supply of Scratch Cards	1,380	4,500
	7,920	5,388
	=====	=====
5. Opening Balances Funds		
USD Component	11,627	110,756
LD Component	66,184	72,823
	77,811	184,579
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Figures in US Dollars

	30 JUNE 2017	30 JUNE 2016
6. Repairs & Maintenance		
Purchase of One Tire	-	225
Vehicle Servicing	3,020	245
Other Gen & Vehicle repairs	1,283	-
	<u>4,303</u>	<u>470</u>
	=====	=====
7. National Tour/Travel		
DSA for Local Trip	47,028	30,588
DSA for Foreign Trip & related	23,592	8,504
	<u>70,619</u>	<u>39,092</u>
	=====	=====
8. Advertisement		
PR	-	1,780
Radio Talk Show	592	380
Press Conference	470	260
Media Engagement	-	300
Other Advert	1,270	4,789
	<u>2,332</u>	<u>7,510</u>
	=====	=====
9. Fuel Expenses		
Gassoline Allowance	-	4,894
Fuel Supply	-	2,929
Purchase of Fuel	28,005	16,124
	<u>28,005</u>	<u>23,946</u>
	=====	=====
10. Fixed Asset Purchased		
Office Furniture	20,019	6,650
Vehicle	-	74,500
Supply of Office Equipment	9,960	5,571
Other Office Equipment	28,075	8,494
	<u>58,054</u>	<u>95,215</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Figures in US Dollars

	30 JUNE 2017	30 JUNE 2016
11. Security Expenses		
Security guard	1,526	-
	<u>1,526</u>	<u>-</u>
	=====	=====
12. Petty cash Expenses		
Cash Replenishment	443	2,000
Other Cash expenses	2,410	500
	<u>2,853</u>	<u>2,500</u>
	=====	=====
13. Operators Expenses		
NIR Operators	636	2,000
	<u>636</u>	<u>2,000</u>
	=====	=====
14. Cleaning Expenses		
Cleaner cost	530	-
	<u>530</u>	<u>-</u>
	=====	=====
15. Donation & Gift		
Staff Christmas ENT	6,073	607
Other Gift	7,106	-
	<u>13,179</u>	<u>607</u>
	=====	=====
16. Other Expenses		
Cost of checks books	-	74
Civil work	29,772	3,618
In service/Intern	-	180
Vehicle insurance	655	532
Hall Rental	-	1,800
Nationwide engagement	9,051	5,640
Installment payment	150,050	-
	<u>189,528</u>	<u>11,844</u>
	=====	=====

Figures in US Dollars

	30 JUNE 2017	30 JUNE 2016
17. Contractor & Consultancy		
Contractors pay	1,794	21,600
Consultancy fees	2,395	1,800
Legal Fees	6,875	-
Reconnection fees	375	-
	<u>11,439</u>	<u>23,400</u>
	=====	=====
18. Stationery & Office supplies		
Printing of Business Cards	-	280
Office supplies	-	804
Purchase of stationery	6,966	1,171
Electrical Supplies	376	-
	<u>7,342</u>	<u>2,255</u>
	=====	=====