



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statements
Audit of the National Fisheries
and Aquaculture Authority
(NaFAA)**

**For the Period ended June 30,
2019**

June 2021

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

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Republic of Liberia




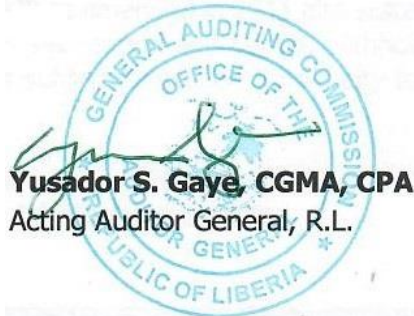
The Honourable Speaker of the House of Representatives and the President Pro- Tempore of the House of Senate:

We have undertaken the Financial Statements audit of the National Fisheries and Aquaculture Authority (NaFAA) for the financial year ended June 30, 2019. 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 Fisheries and Aquaculture Authority (NaFAA). 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, CGMA, CPA
Acting Auditor General, R.L.



Monrovia, Liberia

June 2021

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE NATIONAL FISHERIES AND AQUACULTURE AUTHORITY (NaFAA) FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

We have audited the financial statements of the National Fisheries and Aquaculture Authority (NaFAA), which comprise statement of financial position, statement of financial performance, cash flow statement, Statement of Comparison Budget and Actual Amounts and a summary of significant accounting policies and other explanatory notes for the fiscal year ended.

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 financial position, statement of financial performance, cash flow statement, Statement of Comparison Budget and Actual Amounts and a summary of significant accounting policies and other explanatory notes for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting.

Basis for Qualified of Opinion

Management overstated its share of revenue by seven (7) percent amounting to US\$287,558.18 which was not corrected in its financial statements.

Management understated GoL's share of revenue by seven (7) percent amounting to 303,558.18 which was not corrected in its financial statements.

Management prepared its financial statements in accordance with IPSAS Accrual Basis instead of the International Financial Reporting Standards (IFRS) as adopted by the Government of Liberia as a reporting framework for State Owned Enterprises (SOEs).

Management did not disclose depreciation expense in its financial statements for fixed assets acquired during the audited period.

Management did not disclose activities in its Financial Statements from funds provided under the World Bank project.

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) Accrual 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.

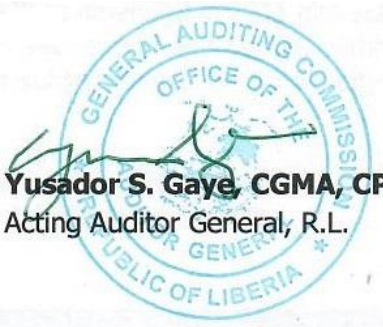
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, CGMA, CPA
Acting Auditor General, R.L.



Monrovia, Liberia

June 2021

Balance Sheet

For the Fiscal Year as at June 30, 2019

	Assets	June, 2018	June, 2019
Notes	Current Assets		
8	Cash on hand		644.33
8	Cash in Bank		906,122.19
9	Accounts Receivable		171,088.15
10	Prepayments		
11	Other Current Assets		35,183.44
	Total Current Assets		1,113,038.11
	Fixed/Long Term Assets (Net)		
12	Office Equipment		85,220.00
13	Furniture & Fixture		6,597.00
14	Vehicles		264,700.00
15	Software		38,500.00
16	Transformer		12,875.00
17	Others		7,733.00
	Total Fixed (Long Term Assets)		415,625.00
	Total Assets		1,528,663.11
	Liabilities		
	Current Liabilities		
18	Accounts Payable		168,757.50
19	GoL Payable		53,814.94
20	Income Tax Payable-Staff Withholdings		24,302.06
20	Income Tax Payable-Vendor Withholdings		8,492.71
19	MoD Payable		8,000.00
21	Payroll Reduction Sacrifice Payable		3,491.75
22	Seaman Union Dues Payable		1,090.96
23	Social Security payable-Staff		2,983.40
23	Social Security payable-NaFAA		4,475.10
24	Unearned Revenue		347,750.00
	Total Current Liabilities		623,158.42
	Long Term Liabilities		
	Employees		-
	Loan		-
25	Vendors & Contractors		35,169.42
	Total Long Term Liabilities		35,169.42
	Total Liabilities		658,327.84

	Owner's Equity	
	Owner's Investment	1,104,228.41
26	Retained Earnings	(233,893.14)
27	Total Owner's Equity	870,335.27
	Total Liabilities & Owner's Equity	1,528,663.11

Income Statement

For the Fiscal Year covering July, 2018 to June 30, 2019

Notes	Revenue	July, 2017 to June, 2018	July, 2018 to June, 2019
	Access Fees		1,839,116.55
	Agency Certificate		42,701.90
	Excess Catch Fees		874,894.74
	Export Permit Fees		47,131.13
	Fines-Others		10,000.00
	Fines-IUU		90,048.90
	Grant & Donations		19,500.92
	Import Permit Fees		138,046.67
	License Fees		237,694.09
	Observer Fees		130,819.46
	Other income		35,004.01
	Pre License Inspection Fees		32,000.00
	Processing Fees		10,500.01
	Sectoral Support Fees		538,367.60
5	Total Revenues		<u>4,045,825.98</u>
	Expenses		
	Bad Debt		-
	Bank Service Charge		21,397.60
	Board of Directors Fees		-
	Building Maintenance		2,724.00
	Capacity Building		95,065.00
	Communicaiton & ICT		183,690.48
	Contingency		48,409.84
	Corporate Social Responsibility		57,447.00
	Decoration		150.00
	Depreciation Expense		-
	Entertainment		78,499.03
	Expense-Others		5,156.70
	Foreign Exchange Translation Loss		-
	Fuel		217,603.28
	General Repairs and Maintenance		72,079.00
	Insurance & Registration		25,184.00
	Lease Expense		-
	Membership Fees		24,507.19
	Penalty & Interest		-
	Pension & Retirement		-
	Printing and Production		47,989.00

	Professional Services	121,889.00
	Public Relations	42,218.05
	Rent	8,095.00
	Salaries, Wages & Allowances	1,600,653.11
	Shipping & Handling	400.00
	Staff Resettlement	-
	Stationery Supplies	19,478.82
	Supplies & Consumables	35,718.50
	Foreign Travel	206,713.39
	Local Travel	25,871.78
	Utility	13,770.81
6	TOTAL OPERATING EXPENSE	<u>2,954,710.58</u>
	Gross Income/(Loss)	<u>1,091,115.40</u>
	Transfer due GoL	1,309,008.62
	Transfer due MoD	16,000.00
7	Net Income/(Loss)	<u>(233,893.22)</u>

Cash Flow Statement

For the Year Ended June 30, 2019

	June, 2018	June, 2019
Cash Flows from Operating Activities		
Net Income		(233,893.14)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation Expenses		-
Increase in Account Receivable		(166,823.61)
Increase in other Current Assets		(35,183.44)
Increase in Account Payable		87,980.59
Decrease in Accrued expenses		(643,855.45)
Increase in Unearn Revenue		347,750.00
Increase in Long term debt		35,169.42
Total Adjustments to reconcile net Income to net cash provided by operating activities:		(374,962.49)
Net Cash from Operating Activities		(608,855.63)
 Cash Flows from Investing Activities		
Purchase of property and equipment:		
Office Equipment		(78,181.00)
Furniture & Fixture		(6,597.00)
Vehicles		(264,700.00)
Software		(38,500.00)
Transformer		(12,875.00)
Others		(7,733.00)
Sale of property and equipment:		-
Net Cash provided by Investing Activities		(408,586.00)
 Cash Flows from Financing Activities		
		-
Opening Balance Equity		239,325.31
Net Cash from Financing Activities		239,325.31
 Increase or decrease in cash		(778,116.32)
Beginning Cash Balance		1,684,882.84
Closing Cash position		906,766.52

NaFAA Budget Performance Report (July 1, 2018-June 30, 2019)-Consolidated USD

Revenue (Budget vs Actual)

#	Sources	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of achievement
1	Cash brought forward (FY 17/18)	920,931.14	920,931.14	-	100%
2	Amount retained from GOL's share of revenue (FY 17/18)	216,318.13	216,318.13	-	100%
	Total	1,137,249.27	1,137,249.27		

#	Revenue Sources	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of achievement
1	Access Fees	1,494,622.00	1,839,116.55	344,494.55	123%
2	Pre-License Inspection Fees	40,000.00	32,000.00	(8,000.00)	80%
3	Processing Fees	10,000.00	10,500.01	500.01	105%
4	Observer Fees	202,680.00	130,819.46	(71,860.54)	65%
5	License Fees	824,700.00	237,694.09	(587,005.91)	29%
6	Sectoral Support (Private Tuna Vessels)	180,000.00	171,117.60	(8,882.40)	95%
7	Import Permit Fees	120,000.00	138,046.67	18,046.67	115%
8	Export Permit Fees	7,000.00	47,131.13	40,131.13	673%
9	Excess Catch	488,629.57	874,894.74	386,265.17	179%
10	Fines (IUU/Sea Patrol)	250,000.00	90,048.40	(159,951.60)	36%
11	Fines-Others	-	10,000.00	10,000.00	0%
12	Other Income	33,500.00	35,004.01	1,504.01	104%
13	Agency Certificate	-	42,701.90	42,701.90	-
14	Grant and Donations	-	19,500.92	19,500.92	-

15	Sectoral Support EU Vessels	386,750.00	367,250.00	(19,500.00)	95%
Total		<u>4,037,881.57</u>	<u>4,045,825.48</u>	<u>7,943.91</u>	100%

Expenditure (Budget vs Actual)

Employee Compensation

#	Objects of Expenses	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Salary, Wages and Allowance	1,676,966.00	1,510,552.78	166,413.22	10%
2	Board Fees	17,600.00	-	17,600.00	100%
Sub-Total		<u>1,694,566.00</u>	<u>1,510,552.78</u>	<u>184,013.22</u>	11%

Goods and Services

#	Objects of Expenses	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Bank Charges & Fees	7,000.00	16,682.92	(9,682.92)	-138%
2	Building Maintenance	8,000.00	2,624.00	5,376.00	67%
3	Capacity Building	61,901.16	28,463.02	33,438.14	54%
4	Communication & ICT	61,860.50	122,554.56	(60,694.06)	-98%
5	Contingency	10,926.75	47,268.87	(36,342.12)	-333%
6	Corporate Social Responsibility	50,000.00	57,447.00	(7,447.00)	-15%
7	Entertainment	125,110.00	84,368.16	40,741.84	33%
8	Fuel	175,596.78	200,136.08	(24,539.30)	-14%
9	General Repairs and Maintenance	62,500.00	72,079.00	(9,579.00)	-15%
10	Insurance & Registration	23,400.00	25,184.00	(1,784.00)	-8%
11	Leasehold Expense	17,585.46	-	17,585.46	0%

*Auditor General's Report on the Financial Statements Audit of the
National Fisheries and Aquaculture Authority (NaFAA)
For the Fiscal Period Ended June 30, 2019*

12	Membership Fees	-	2,959.95	(2,959.95)	0%
13	Printing & Production	25,000.00	48,724.00	(23,724.00)	-95%
14	Professional Services	123,375.00	121,889.00	1,486.00	1%
15	Public Relations	70,556.50	40,709.78	29,846.72	42%
16	Rentals	16,025.00	9,294.00	6,731.00	42%
17	Shipping/Handling	3,000.00	400.00	2,600.00	87%
18	Staff Resettlement	-	-	-	0%
19	Stationery Supplies	54,355.05	19,475.89	34,879.16	64%
20	Supplies & Consumables	96,964.00	38,619.50	58,344.50	60%
21	Travel (Local)	81,470.00	21,361.79	60,108.21	74%
22	Travel (Foreign)	165,983.00	204,193.39	(38,210.39)	-23%
23	Utility	29,600.00	13,770.81	15,829.19	53%
24	Expense-Others	-	5,756.70	(5,756.70)	-
	Sub-Total	<u>1,270,209.20</u>	<u>1,183,962.42</u>	<u>86,246.78</u>	7%

Debt

#	Objects of Expenses	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Leasehold Areas to NPA	52,754.88	17,585.46	35,169.42	67%
2	Prior year withholdings (Employees and vendors)	18,000.00	17,777.40	222.60	1%
	Sub-Total	<u>70,754.88</u>	<u>35,362.86</u>	<u>35,392.02</u>	50%

Capital Expenditure

#	Objects of Expenditure	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Accounting Software	5,250.00	33,250.00	(28,000.00)	-533%
2	PA System	1,200.00	1,085.00	115.00	10%
3	Generator	350.00	325.00	25.00	7%
4	HR Software	5,250.00	5,250.00	-	0%
5	Furniture & Fixture	34,811.13	6,597.00	28,214.13	81%
6	Leasehold Improvements	75,000.00	4,630.00	70,370.00	94%
7	Office Equipment	42,609.00	85,220.00	(42,611.00)	-100%
8	Vehicles	194,000.00	192,000.00	2,000.00	1%
9	Motor Bikes	2,000.00	-	2,000.00	100%
10	License Automation Software	30,000.00	-	30,000.00	100%
11	Container	-	1,778.00	(1,778.00)	-
12	Transformer	-	12,875.00	(12,875.00)	-
13	Fuel Tank	-	1,000.00	(1,000.00)	-
	Sub-Total	390,470.13	344,010.00	60,335.13	12%
	Grand Total	3,426,000.21	3,073,888.06	365,987.15	10%

EU Sectoral Support Objects of Expenditure

Expenditure (Budget vs Actual)

Employee Compensation

#	Objects of Expenses	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Salary, Wages and Allowance	93,599.45	89,875.00	3,724.45	4%
	Sub-Total	93,599.45	89,875.00	3,724.45	4%

Goods and Services

#	Objects of Expenses	Total Budget	Actual-to-date (July to June, 2019)	Difference	Percentage of Savings
1	Bank Charges & Fees	999.60	4,610.82	(3,611.22)	-361%
2	Capacity Building	88,458.65	81,516.00	6,942.65	8%
3	Communication & ICT	69,999.39	61,135.92	8,863.47	13%
4	Travel (Foreign)	9,578.31	6,931.00	2,647.31	28%
5	Fuel	17,471.58	17,467.20	4.38	0%
6	General Repairs and Maintenance	13,606.46	-	13,606.46	100%
7	Membership Fees	21,547.33	21,547.24	0.09	0%
8	Professional Service	2,975.00	-	2,975.00	100%
9	Travel (Local)	3,499.79	1,535.90	1,963.89	56%
	Sub-Total	<u>228,136.11</u>	<u>194,744.08</u>	<u>33,392.03</u>	15%

Capital Expenditure

#	Objects of Expenditure	Total Budget	Actual-to-date (July to June, 2019)	Difference	
1	Vehicles	64,002.94	72,700.00	(8,697.06)	-14%
2	Office Equipment	1,011.50	-	1,011.50	100%
	Sub-Total	<u>65,014.44</u>	<u>72,700.00</u>	<u>(7,685.56)</u>	-12%
	Grand Total	<u>386,750.00</u>	<u>357,319.08</u>		

Revenue Sharing Analysis-Full Year -July 2018 to June 2019

#	Revenue Sources	Total	NaFAA's Share	GoL's Share	MoD's Share
1	Access Fees	1,839,116.55	1,103,038.33	736,078.22	
2	Pre-License Inspection Fees	32,000.00	32,000.00	-	
3	Processing Fees	10,500.01	10,500.01	-	
4	Observer Fees	130,819.46	130,819.46	-	
5	License Fees	237,694.09	148,097.66	89,596.43	
6	Sectoral Support (Private Tuna Vessels)	171,117.60	171,117.60	-	
7	Import Permit Fees	138,046.67	82,828.00	55,218.67	
8	Export Permit Fees	47,131.13	28,278.76	18,852.37	
9	Excess Catch	874,894.74	525,561.03	349,333.71	
10	Fines (IUU/Sea Patrol)	90,048.90	34,061.43	39,987.47	16,000.00
11	Fines-Others	10,000.00	6,000.00	4,000.00	
12	Other Income	35,004.01	35,004.01	-	
13	Agency Certificate	42,701.90	26,760.15	15,941.75	
14	Grant and Donations	19,500.92	19,500.92	-	
15	Sectoral Support EU Vessels	367,250.00	367,250.00	-	
	Total	<u>4,045,825.98</u>	<u>2,720,817.36</u>	<u>1,309,008.62</u>	<u>16,000.00</u>

NOTES OF EXPLANATIONS AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS

The numbered notes that follow relate directly to the content of the Financial Statements above and are numbered accordingly.

1 General Information – Reporting Entity

The financial statements are for the National Fisheries & Aquaculture Authority, a public sector entity of the Government of Liberia. The financial statements encompass the reporting entity as specified in the relevant legislation (*Public Financial Management Act of 2009*). NAFAA's principal activity is to *manage and regulate the fish resources of Liberia (marine and inland)*.

The Financial Statements presented above reflect the Income Statement and Balance Sheet of the National Fisheries & Aquaculture Authority (NaFAA) for the fiscal year (July, 2018 to June, 2019) on the basis of moneys received by, held in or paid out by NaFAA during the period under review. The Entity controls its own bank accounts.

The principal address of the reporting entity is:
National Fisheries & Aquaculture Authority
Adjacent LPRC
U.N. Drive, Bushrod Island
Monrovia, Liberia.

2 Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Liberia in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of the financial statements therein are set out below.

(a) Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the Accrual Basis of International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Accrual Basis of Accounting. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently used throughout.

(b) Reporting currency and translation of foreign currencies

(i) Functional and presentation (or reporting) currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LD) and the United States dollar (US \$) both of which are legal tenders. The attendant Financial Regulations to the PFM Act of 2009 states that:

“the monetary unit of Liberia for all government agency accounting and financial reporting shall be the Liberian Dollar. The United States Dollars **may** also be used for financial reporting purposes, but the Liberian Dollar is the base currency.”

Hence, for the purpose of the Financial Statements being submitted, the United States Dollar is used as the reporting currency, which is permitted under the attendant Financial Regulations to the PFM Act of 2009 and adopted by the Government of Liberia as its reporting currency.

(ii) Translation of transactions in foreign currency

Foreign currency transactions and transactions in Liberian Dollar and other foreign currencies are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Closing monetary balances are translated into the reporting currency using the closing rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

For the period ended (30th June, 2019), the exchange rate for the Liberian Dollar was 162.78 LD per US \$1.

(c) Reporting Period

The reporting period for these financial statements is the Fiscal Year (July, 1, 2018 to 30th of June, 2019) of the Government.

(d) Payments by Third Parties

During the fiscal year, NaFAA did not receive any third party payment.

(e) Revenues

Revenues represent all income earned by NaFAA through invoices issued and cash collected or not yet collected but earned during the period. Revenues that have not been collected are recognized as Account Receivable on the Balance Sheet. NaFAA generates revenues from its regulatory activities inclusive of Access Fees, License fees earned from fishing vessels (artisanal, semi-industrial and industrial), and import and export permit fees earned from importers and exporters of fish. During the fiscal year of FY 18/19 (June, 2018 to July, 2019), total revenue generated by NaFAA amounted to US\$4,045,825.98.

(f) Expenses

In general, all expenses are captured in the income statement. Expenses are recognized when incurred, meaning goods or services are either paid for after delivery of service or accrued as accounts payable on the Balance Sheet.

(g) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment principally comprises land, buildings, plant, vehicles, office equipment, furniture and fixture and any other capital assets controlled by the National Fisheries & Aquaculture Authority (NaFAA).

Under the Government's accrual basis of accounting, the historical cost on purchases of property, plant and equipment are defrayed over an estimated useful life. The estimated useful life of fixed assets is determined by the standards set out in NaFAA's approved Financial Management and Internal Control Policy. Additionally, NaFAA maintains a Fixed Assets Register that contains detail record on

all fixed assets. Proceeds from disposal of fixed assets are recognized as other income in the income statement.

(h) Inventories

Consumable supplies are expensed in the period in which they are paid for. However, NaFAA has a warehouse in which they are stored. Supply and consumption is monitored by the department of Administration through delivery notes (verified by internal audit) and requisition forms, respectively.

(i) Employee Compensation

Employee compensation include salaries, wages, allowances, and other related-employment costs. Employee benefits are recognized when they are paid. No provision is made for accrued leave.

(j) Contingencies

Contingent liabilities because of their nature are off Balance Sheet items which are not recognized on the Balance Sheet but disclosed in the Statement of Contingent Liabilities (on memorandum basis) in the notes to the financial statements. When the contingency becomes evident or occurs, under the accrual accounting method they are recognized as liability on the Balance Sheet before payment is made. Contingent assets are also not recognized but disclosed in the notes to the financial statements.

(k) Commitments and Guarantees

Long term Commitments, including operating and capital commitments arising from non-cancellable contractual or statutory obligations as well as Guarantees made, will be reported as Notes to the Financial Statements.

3 Authorization Date

The financial statements were authorized for issue on October 14, 2019 by Hon. Emma Metieh Glassco, Director General, National Fisheries & Aquaculture Authority (NaFAA).

4 Authorised Allocations/Appropriation

NaFAA did not receive Authorised Allocations for the reporting period. According to the Act that establishes NaFAA, its operations are to be funded by its retained portion of revenue generated by the institution. Hence NaFAA does not receive subsidy or budgetary support from Central Government.

5 Total Revenue

Revenue is recognized when it is earned by NaFAA and when an invoice has been issued to the customer to whom such revenue has been accrued. Revenue generated by the NaFAA are from its regulatory activities which include issuance of licences, certificates, permits, and imposition of fines, consistent with its legal mandate. During the fiscal year of FY 18/19 (June, 2018 to July, 2019), total revenue generated by NaFAA amounted to US\$4,055,825.98. From this amount, NaFAA's share amounted to US\$2,720,817.36 while GoL's share amounted to US\$1,309,008.62 and MoD's share amounted to US\$16,000. Total transfers made to GoL during the period amounted to US\$1,777,857.53 and LRD\$587,454.81. This amount includes US\$1,277,465.77 from current year revenue, while the amounts of US\$500,391.76 and LRD\$587,454.81 were paid from revenue brought forward from previous fiscal year. Total amount paid to MoD from revenue from current year amounted to US\$8,000.00.

6 Total Operating Expenses

Operating expenses represents general and administrative expenses that are incurred by the institution during its day to day operations. Operating expenses are subdivided into five major categories:

a. Raw Materials and Consumables

Raw Materials and consumables represent expenses incurred on goods or items that are normally consumed over a period of time even though it was expensed during the time of purchase. Total amount incurred for raw materials and consumables amounted to US\$55,197.32 which constitutes 2% of total operating expenses. Please see breakdown below:

Breakdown of Raw Materials and Consumables

Item	Amount	Percentage of total
Stationery Supplies	19,478.82	35%
Supplies and Consumables	35,718.50	65%
Total	<u>55,197.32</u>	100%

b. Salaries

Salary expense covers NaFAA's payment of salaries and salary related expenses to its employees. This includes salaries, allowance and fees paid to permanent Employees, Contractors, Observers, and Enumerators. Total amount incurred for salaries for the fiscal year was US\$1,600,653.11 which constitutes 54% of total operating expenses.

c. Administrative expenses

Administrative expenses include all expenses incurred by NaFAA that may not be directly tied to an activity or associated with revenue generation. These expenses were incurred to ensure the smooth running of the day to day operations of the institution. Total amount incurred for administrative expenses during the fiscal year amounted to US\$1,245,293.61 which constitutes 42% of total operating expenses.

Breakdown of Administrative Expenses

Item	Amount	Percentage of total
Bank Service Charge	21,397.60	1.72%
Building Maintenance	2,724.00	0.22%
Capacity Building	95,065.00	7.63%
Communication & ICT	183,690.48	14.74%
Corporate Social Responsibility	57,447.00	4.61%
Decoration	150.00	0.01%
Entertainment	78,499.03	6.30%
Fuel	217,603.28	17.47%
General Repairs and Maintenance	72,079.00	5.59%

Insurance & Registration	25,184.00	2.07%
Membership Fees	24,507.19	1.97%
Printing and Production	47,989.00	3.85%
Professional Services	121,889.00	9.78%
Public Relations	42,218.05	3.39%
Rent	8,095.00	0.65%
Shipping & Handling	400.00	0.03%
Foreign Travel	206,713.39	16.59%
Local Travel	25,871.78	2.08%
Utility	13,770.81	1.11%
Total	<u>1,245,293.61</u>	100%

d. Depreciation

Depreciation expenses are used to recognize the decline in the value of property plant and equipment (fixed assets) so that the historical cost is defrayed over its estimated useful life set out in the approved Financial Management and Internal Control Manual of NaFAA. During the quarter, there were no expenses incurred for depreciation. We are currently doing an update of our Fixed Assets register to include assets that were acquired prior to July, 2018, during which time we were practicing cash-based accounting and were not using the accounting software. Depreciation entries will be passed after the update.

e. Other expenses

Other expenses include expenses that were incurred by NaFAA that are not suitable for the previous four categories of Operational Expenses. They include sundry expenses, and other contingencies. Total amount incurred for Other expenses during the fiscal year amounted to US\$53,566.54 which constitutes 2% of total operating expenses.

Breakdown of Other Expenses

Item	Amount	Percentage of total
Sundry	48,409.84	90.3%
Other Contingencies	5,156.70	9.7%
Total	<u>53,566.54</u>	100%

Total operating expenses for the fiscal year amounted to US\$2,954,710.58

7 Net Profit/Loss after Tax

Net Profit after Tax represents net income/loss derived after total operating expenses are deducted from total revenue. NaFAA being a government public corporation and SOE is tax exempt. Hence, taxes were not applied against revenue or gross profit. At the end of the fiscal year NaFAA recorded a Net loss of (US\$233,893.14)

8 Cash & Cash Equivalents

Cash and Cash Equivalents represent all cash held in or on behalf of NaFAA at commercial banks. NaFAA had five bank accounts at the close of the fiscal year. Three USD account held at LBDI, one LRD account held at LBDI and one USD account held at GTBank. Consolidated US\$ balances as at the end of the quarter amounted to US\$906,660.84. **Please see breakdown in the table below:**

Bank Balances as at June 30, 2019			
A			
United States Dollar Accounts			
No:	Account	USD amount	
1	Transitory Revenue USD LBDI	378,616.12	
2	NaFAA-SFPA USD LBDI	460,938.05	
3	NaFAA-Operations USD LBDI	25,401.33	
4	NaFAA Operations USD GTB	13,778.27	
5	Mobile Money	432.64	
6	Petty Cash USD	644.33	
	Total USD	879,810.74	
B			
Liberian Dollar Accounts			
No:	Account	USD Equivalence	LD amount
1	NaFAA-Operations LRD LBDI	26,205.77	4,265,775.33
2	Petty Cash LRD	-	
	Total	26,205.77	4,265,775.33
C			
Consolidated USD (A+B)			
	Total USD	906,660.84	
*Exchange Rate 1USD:162.78LRD			

9 Trade and other Receivables

Trade and other Receivables represent amounts earned by NaFAA during the quarter but have not yet been collected. These earnings may be as a result of invoices issued to customers for revenues earned which have not been fully settled, or for payments made on behalf of a third party that have not yet been reimbursed to NaFAA. At the end of the year, Trade and other Receivables stood at US\$171,088.15. The amount of US\$105,929.53 is owed by WARFP (West African Regional Fisheries Project). US\$85,579.53 of this amount represents payments that were made on behalf of the project to cover costs for shipping and clearing of a fisheries patrol boat that was donated to NaFAA by the government of Wales and US\$20,350 of this amount represents payments made to cover costs of project staff salaries. The remaining US\$65,158.62 is owed by several customers. Major amounts include US\$20,000 owed by Sea Star Shipping, Stevedoring and Fishing Agency for the IUU fines, US\$7,798.58 owed by MOFAKTO (Commission Des Communautés), US\$6,312.80 owed by MOFAKTO (AGAC), US\$2,402.63 owed by MOFAKTO (Capsen SA), US\$1,560.45 owed by Asociación Nacional de Armado. These amounts are owed for under-settlement of bills issued for fishing licenses. Other amounts owed are US\$4,000 owed by United Commodities, Inc. for Fines-Others(regulatory infraction), US\$3,800 owed by Fresh Frozen Food for Cold Storage Certification fees. The remaining amount of US\$19,284.16 accrued from

few other customers which mostly resulted from shortages in their payments of fees which was done through inward remittances. Schedule of receivables is attached.

10 Prepayments

Prepayments represent advance payments made for goods or services that have not been delivered or provided to NaFAA. All insurance payments made during the quarter were directly expensed. There were no prepayments made by NaFAA during the fiscal year.

11 Others

Others represent other current assets which include Staff advances /loans that were given to staff in line with the Human Resource Policy of NaFAA. Staff loans are non-interest bearing and have a limited term of 3 months. Total other current assets at the end of the fiscal year stood at US\$35,183.44

Fixed/Long Term Assets

Property & Plant represent Land, plant, buildings and machineries and intangible assets owned by NaFAA. All office premises used by NaFAA are leased.

12 Office Equipment

Office Equipment are assets needed to perform routine and sometimes sporadic office activities. They include computers, typewriters, scanners, fax machines, printers, copiers, shredders, projectors, screens, video and photo cameras, cell phones and any other assets that serve this purpose. At the end of the fiscal year, total net value of office equipment stood at US\$85,220.00

13 Furniture & Fixture

Furniture & Fixture are assets used for furnishing and interior decoration of offices and the general premise or buildings owned or leased by NaFAA. They include filing cabinets, desks, chairs, tables, shelves, lamps, curtains, and safes. At the end of the fiscal year, total net value of office equipment stood at US\$6,597.00

14 Vehicles

Vehicles include vehicles/cars that are owned by NaFAA but assigned to individuals based on their status in the institution. It also includes utility vehicles that assigned to departments or in a pool for utility purposes. Total net value of Motor Vehicles at the end of the fiscal year was at US\$264,700.

15 Software

Software are intangible assets owned by NaFAA and used for management information system. Currently, management is using two pieces of software, one Accounting software and one Human Resource software. At the end of the fiscal year, total net value of software was at US\$38,500.00.

16 Transformer

Power transformer is used for the for the purpose of distribution of public electricity to our office. Management requested a transformer from Liberia Electricity Corporation (LEC) to aid the smooth

running of our office. Because LEC did not have transformer in stock, management was constrained to buy transformer from a private vendor. At the end of the fiscal year, total net value of transformer was at US\$12,875.00.

17 Others

Others include other fixed/long term assets acquired by Management to aid the smooth running of the entity, they include, container being used as storage facility for stationery and consumables, leasehold improvement, mini-generator used for a PA system when management is having programs, and safe used for keeping documents and sensitive documents. At the end of the fiscal year, total net value of other fixed/long term assets was at US\$7,733.00.

Total net value of all fixed asset as at the end of the fiscal year amounted to US\$415,625.00

18 Trade and other Payables (Current)

Trade and other payables (current) for current liabilities represent operational expenses or capital expenditure incurred by NaFAA that have not been fully settled. It also includes monies held in or by NaFAA on behalf of a third party. These liabilities are not more than one year old. At the end of the fiscal year, total trade and other payables (current) stood at US\$168,757.50. Major liabilities under this category include US\$59,000 owed to GBK Motors for procurement of pickups, US\$30,000 owed to Gbaintor Law Firm for drafting of Fisheries Law, US\$13,725.50 owed to Super Petroleum for the supply of petroleum products, US\$10,000 owed to A&J owed Specific Enterprises for the installing of a grounding equipment (Anti lightning equipment) for NaFAA's technical building, US\$8,050 owed to Pacific Resources for the supply of invertors and batteries for pieces of equipment at NaFAA's Fisheries Monitoring Center (FMC). The remaining amount of US\$47,982.00 is owed to other vendors for services rendered and supply of goods. Schedule of payables is attached.

19 GoL Payable/Statutory Obligations

Statutory Obligations include accrued liabilities that are due to the Government of Liberia consistent with the act establishing NaFAA which mandates the institution to share its revenue with the Government of Liberia in line with the below provisions:

- a. For the first five (5) years the ratio of distribution shall be sixty percent (60%) to the authority and forty percent (40%) to the Government;
- b. For the next five (5) years the ratio shall be fifty percent (50%) for the Authority and fifty percent (50%) for the Government; and
- c. Thereafter, the ratio shall be forty percent (40%) for the Authority and sixty percent (60%) for the Government.

It is important to note that a portion of the liabilities accrued to Government of Liberia have also been accrued in our trade and other receivables but not yet collected. As at the end of the fiscal year, total statutory obligations amounted to US\$61,814.94, comprising US\$53,814.94 owed to GoL and US\$8,000 is owed to MoD.

20 Current Tax Liability (Income tax payable-staff withholdings and vendor withholdings)

Current tax liability includes taxes withheld from employees and contractors' salaries as well as taxes withheld from vendors' payments. Tax rates were applied in line with The Revenue Code of Liberia. As at the end of the fiscal year, total Current Tax Liability for staff withholdings stood at US\$24,302.06 while total Current Tax Liability for vendor withholdings stood at US\$8,492.71

21 Payroll Reduction Sacrifice

At the beginning of the term of the new regime in 2018, the President of Liberia mandated all government employees to make a sacrificial reduction in salaries. Owing to that, there was a circular sent out by the Ministry of Finance and Development Planning on how the deductions should be carried out and later remitted to general revenue account. The management of NaFAA complied with this mandate. At the end of the fiscal year, total amount outstanding for this purpose that had not yet been remitted was US\$3,491.75.

22 Seaman Union Dues Payable

There is a provision in most agreements NaFAA has with the private Tuna companies operating in our waters which mandates them to make a payment on behalf of Liberia's Sea Farers association. This amount is intended for the training of the sea farers for in compliance with the requirements of their profession. Hence, management treats this amount as payable until training programs are organized and conducted on their behalf. At the end of the fiscal year, total amount held for Seaman Union was US\$1,090.96.

23 Social Security Payable (Staff withholdings and NaFAA's Management contribution)

In fulfilment of legal obligations required by the act of National Social Security and Welfare Corporation, the entity does withholdings from employees' salaries as well as make contribution on employees behalf. At the end of the fiscal year, total amount held for staff withholdings amounted to US\$2,983.40 while total amount owed by management amounted to US\$4,475.10.

24 Unearned Revenue

The amount recorded as unearned revenue represents revenues that were not yet due but collected by management. The amount reported here represents early payment of EU sectoral support fees late June of FY 18/19 which was already budgeted by management for FY 19/20. At the end of the fiscal year, total amount in unearned revenue amounted to US\$347,750.

25 Trade & Other Payables (Long Term)

Trade and other payables (long term) represents all long term debt incurred by the institution which are over one year old. Considering that NaFAA is a new institution, the only long term debt that has been established is owed to National Port Authority for accrued leasehold liabilities for the leased Mesurado pier located behind the Coast Guard Base. Total Trade & Other Payables (Long Term) at the end of the fiscal year stood at US\$35,169.42.

26 Retained Earnings/Accumulated losses

Retained Earnings represent net income/loss accumulated by NaFAA over the fiscal year that is subject to appropriation or non-appropriation. During the period management experienced a net loss of <US\$233,893.14>.

27 Reserves/Gross Equity

Reserves/Equity represents gross equity or capital of the institution. Gross equity is also a function of how much stake NaFAA has in its total assets versus the stake that creditors have in its total assets. As at the end of the fiscal year, total equity stood at US\$870,335.27.

STATEMENT OF RESPONSIBILITIES

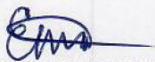
The Financial Statements as set out on pages 7 to 2 have been prepared in accordance with the provisions of the Public Financial Management Act of 2009 and in compliance with the Accrual Basis of International Public Sector Accounting Standards (Accrual IPSAS), adopted by the Government of Liberia.

In accordance with the provisions of the Public Financial Management (PFM) Act of 2009, I am responsible for the control of and accounting for public funds received, held in, and expended for and on behalf of the National Fisheries & Aquaculture Authority.

Under the provisions of the same Act, I am required to prepare unaudited Final Account of the National Fisheries & Aquaculture Authority to be submitted to the Minister of Finance and Development Planning, one month after the end of the financial quarter to which it relates. However, I have delegated the preparation of the unaudited Final Account to the Comptroller for my transmittal to the Minister, as provided in the attendant Regulations of the Public Financial Management Act of 2009. Accordingly, I am pleased to submit the required annual (July, 2018 to June, 2019) Account of the National Fisheries & Aquaculture Authority in compliance with the PFM Act and its attendant Regulations. I have provided, and will continue to provide, all the information and explanations as may be required in connection with the financial statements presented therein.

In preparing these Financial Statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates. To the best of my knowledge and belief, these Financial Statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the provisions of the Public Financial Management (PFM) Act of 2009.


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Hon. Emma Metieh Glassco
Director General
National Fisheries & Aquaculture Authority

August 31st, 2019
.....
Date

REPORT OF THE COMPTROLLER

1 Introduction

This Report provides commentary and analysis of the Income Statement, Balance Sheet, Cash Flow Statement, as well as budget performance of the National Fisheries & Aquaculture Authority (NaFAA) for the year ended 30th June 2019 and of its financial position as at that date.

2 The Fiscal Year (July, 2018 to June, 2019) Approved Budget

At the onset of the fiscal year (July, 2018 to June, 2019), the board of directors of NaFAA approved a total resource envelop of US\$5,175,130.84 (Five Million One Hundred Seventy-Five Thousand One Hundred Thirty United States dollars & 84/100). The total amount is composed of US\$920,931.14 which represents NaFAA's share of revenue brought forward from FY 17/18, US\$216,318.13 which represents the Board of Directors' approved portion of GOL's share of revenue brought forward from FY17/18 to be retained by NaFAA, US\$3,651,131.13 which represents projected revenue from NaFAA's regulatory activities for FY 18/19 and US\$386,750 which represents EU sectoral support to Liberian Fisheries Sector consistent with the Sustainable Fisheries Partnership Agreement (SFPA) between Liberia and EU.

3 Authorised Appropriation/Allocations

Authorized allocation represents Government of Liberia's Subsidy allotted to the National Fisheries & Aquaculture Authority (NaFAA). Authorized Appropriation/Allocations are recognized when they are received and under the control of the National Fisheries & Aquaculture Authority. However, NaFAA does not receive subsidy from central government or Ministry of Finance & Development because our operations are to be funded by our share of internal revenue according to the act establishing the National Fisheries & Aquaculture Authority.

4 Revenue

Revenues represent all income earned by NaFAA through invoices issued and cash collected or not yet collected but earned during the period. Revenues that have not been collected are recognized as Account Receivable on the Balance Sheet. NaFAA generates revenues from its regulatory activities inclusive of Access Fees, License fees earned from fishing vessels (artisanal, semi-industrial and industrial), and import and export permit fees earned from importers and exporters of fish. During the fiscal year of FY 18/19 (June, 2018 to July, 2019), total revenue generated by NaFAA amounted to US\$4,045,825.98.

5 Operating Expenses

NAFAA expenses are divided into five (5) categories; Raw Materials and Consumables, Salaries, Administrative expenses, Depreciation, and Other Expenses. Total amount spent on Operating Expenses for the fiscal year amounted to US\$2,954,710.58. Details of these expenses are discussed under the notes to the Financial Statements which commences from page 13.

6 Cash Balances

Cash brought forward at the beginning of the fiscal year was US\$1,623,198.45 while cash balances on hand and in bank at the end of the fiscal year was US\$906,660.84. Details of the breakdown

are discussed under the notes to the Financial Statements which commences from page 13.

7 Liabilities (current and long term)


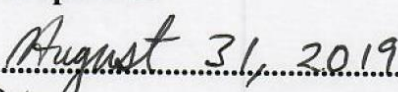
Total liabilities at the end of the fiscal year (June 30, 2019), was US\$658,327.84. Accounts payable stood at US\$168,757.50. Obligations under this category comprise varying amounts to several vendors. Total long term liabilities amounted to US\$35,169.42 Further details are provided under the notes to the Financial Statements which commences from page 13.

8 Receivables

Total Receivables at end of the fiscal year (June 30, 2019) was US\$171,088.15. These receivables include US\$105,929.53 owed by the WARFP project while the remaining US\$65,158.62 is owed by varying customers in varying amounts. Further details are provided under the notes to the Financial Statement which commences from page 13.

9 Conclusion

The Financial Statements for the Fiscal Year (July, 2018 to June, 2019) should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.


.....
E. Cosby Pelham
Comptroller

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Date