



Management Letter

On the Financial Statement Audit of the National Port Authority (NPA)

For the Period July 1, 2016 to June 30, 2017



Promoting Accountability of Public Resources

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Acting Auditor General, R.L.**

Monrovia, Liberia
May 2021

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
NPA	National Port Authority
CGMA	Chartered Global Management Accountant
CPA	Certified Public Accountant
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
ISSAIs	International Standards of Supreme Audit Institutions
FS	Financial Statement
PFM Act	Public Finance Management Act
US\$	United States Dollar

May 31, 2021

Hon. Bill Twehway
Managing Director
National Port Authority
Monrovia, Liberia

Dear Hon. Twehway:

The Financial Statements of the National Port Authority (NPA) are subject to audit by the Auditor General (AG) consistent with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

INTRODUCTION

The Audit of the Financial Statements of the NPA for the fiscal year July 1, 2016 to June 30, 2017 have been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

SCOPE AND DETERMINATION OF RESPONSIBILITY

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements. An audit includes an examination on a test basis of evidence supporting the amounts and disclosures in the financial statements; Assessment of the accounting principles used and significant estimates made by management; and Evaluation of the overall financial statement presentation.

The audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Management of NPA. Our responsibility is to express our opinion on these financial statements.

The audit findings which were identified during the course of the audit, are included below.

MANAGEMENT COMMENTS

It would be appreciated if your comments on these findings could be submitted within two weeks after the date of this report for incorporation.

Key Management Personnel

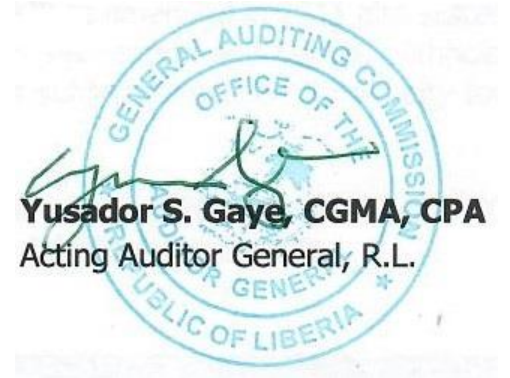
No.	Name	Position	Tenure
1	Hon. David F. Williams	Managing Director	2016-2017
2	Hon. Cecelia Coffey Brown	Acting Managing Director	2017-2018
3	Mr. J. Franklin W. Sarkoh	Comptroller	2017-2018

*Management Letter on the
Financial Statement Audit of the National Port Authority (NPA)
for the fiscal period ended June 30, 2017*

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the Management and Staff of the NPA during the audit.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia



Monrovia, Liberia

May 2021

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Revenue

Observation

1.1.1.1 Statements on Financial Accounting Concepts (SFAC) No. 2 'Qualitative Characteristics of Accounting Information', requires that the reliability of the financial statements rests upon the extent to which the accounting description or measurement is verifiable and representationally faithful. It also requires that the financial statements must depict the true and fair picture of the status of the company affairs which means that the information provided must not have any significant errors or material misstatements.

1.1.1.2 Section 39 (2) of the Public Finance Management (PFM) Act of 2009 states that "Autonomous agencies and Special Funds must keep full and proper records of the financial affairs of the agency in accordance with the relevant rules and procedures set forth in this Act and its regulations".

Monrovia Port

1.1.1.3 It was observed during the conduct of the audit that total revenue generated by APM Terminal upon which the Port of Monrovia share of revenue was based could not be verified due to the terms of the existing APM agreement which does not allow for verification of total revenue generated by the NPA Management.

Risk

1.1.1.4 The accuracy and completeness of the NPA Share of revenue generated by APM Terminal could be in doubt in the absence of GAC not verifying the total revenue generated.

Recommendation

1.1.1.5 The Government of Liberia should review the concessional agreement with the APM Terminal to ensure that GAC is allowed to verify NPA share of total generated by APM Terminal.

Management's Response

1.1.1.6 *The Government of Liberia signed a 25-year concession agreement with APM terminals in September 2010 to take over the marine, cargo and storage activities of the Freeport of Monrovia. APM Terminal started its operations in the Freeport of Monrovia in February 2011, and since then, APM Terminal's activities has not been scrutinized/reviewed by the NPA. NPA only receives a summary report from APMT at the end of every month on APMT revenue and also the share of NPA. APMT does not provide any source data (invoices, adjustment on bills, credit note, etc.) to NPA to verify the summary report. Whatever APMT reports to NPA is considered as final. NPA assigned some field staff (M&E) to monitor the activities of APMT, but this did not really help to gather the necessary data NPA needed to verify the APMT's entire operations (cargo movement, vessel traffic, storage days, etc.). Because of these doubts, the Managing Director of NPA, in September 2019 requested a reconciliation of APMT revenue and Royalty report from the year 2011(from the inception of APMT) up to July 31,*

2019 (about seven years plus) to produce an independent and reliable report. He sought the involvement of the Internal Audit Agency of Liberia (IAA) to be blended with staff of NPA. The joint reconciliation was brief. The IAA final report (7.2 finding) disclosed that APMT generated extra revenue in the amount of US\$29,607,017.49, which APMT termed as "auxiliary revenue" and did not share with NPA from February of 2011 up to July 31, 2019. The Managing Director of APMT, Hon. George G. Adjei, in response to the IAA of Liberia findings (7.2) stated that, although APMT generated auxiliary revenue and did not share said revenue with NPA as reported in the joint reconciliation report, the figure of US\$29,607,017.49 was overstated and should have instead been US\$25.2 Million. Mr. Adjei, in his response letter to the Managing Director of NPA Hon, Bill Twehway, dated November 22, 2019, justified APMT's action by citing Article 7.07 b of the Agreement of 2010 between APMT and the Government of Liberia which according to him gives APMT the right to generate certain revenue for itself without remittance to NPA. Thus, the report was submitted to the Justice Minister of the Republic of Liberia for consideration and further action. The reconciliation and compliance department of the NPA-Finance Division continued the review process by carrying out monthly reconciliation of APMT revenue/royalty summary submitted. It has been difficult to do this reconciliation without any source document. NPA has persistently requested APMT management to submit all invoices and other revenue data that generated the revenue, but APMT is yet to comply. Besides the IAA report of the revenues not shared with NPA (February 1, 2011 to July 31, 2019), we do monthly summary of the outstanding revenue that has not been received. The NPA will most appreciate if the GAC could intervene to ensure that its fair share of revenue is remitted with the appropriate documentation. Please see above analysis of the Reconciliation and Compliance Department from August 2019 – April 2021 submitted to APMT through official communication without recourse.

Auditor General's Position

- 1.1.1.7 We acknowledge Management's assertions. However, Management should initiate discussions with the Government of Liberia to review the concession agreement with the APM Terminal to ensure that GAC is allowed to verify NPA share of total generated by APM Terminal.

1.1.2 Financial Reporting Requirements

Observation

- 1.1.2.1 On July 1, 2013 the Government of Liberia mandated all Government Business Enterprises or State-Owned Enterprises (SOEs) to adopt International Financial Reporting Standards (IFRS) in the preparation and presentation of their financial statements.
- 1.1.2.2 We noted during the conduct of the audit that the Management of NPA prepared its financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP) instead of the International Financial Reporting Standards (IFRS) as adopted by the Government of Liberia in 2009 as a reporting framework for State Owned Enterprises (SOE).

Risk

- 1.1.2.3 The failure of the National Port Authority (NPA) Management to prepare financial statements in accordance with IFRS undermines comparability and consolidation of SOEs financial statements.

Recommendation

- 1.1.2.4 Management should adopt the IFRS as its financial reporting framework.

Management's Response

- 1.1.2.5 *NPA has seen no evidence contained in the Public Financial Management (PFM) Act or Regulations and policy communication that the Government of Liberia adopted International Financial Reporting Standards (IFRS) as a reporting framework for State Owned Enterprises (SOEs). NPA maintained reporting in compliance with US GAAP and in the manner required by PFM Act of 2009; accordingly, refutes GAC violation claims of non-compliance with IFRS and does not find it prudent to restate the Financials in IFRS for the calendar years mentioned. Our research revealed that institutions in Liberia that have thus far adopted IFRS reporting are:*

- *The Central Bank of Liberia(CBL) in 2013 requires all banks to prepare financial statements in accordance with IFRS;*
- *The Liberia Institute of Certified Public Accountants (LICPA) in July 2015 adopted IFRS for the private sector and set December 2018 for implementation;*

- 1.1.2.6 *Notwithstanding, in an effort to prepare for possible migration from GAAP to IFRS, the NPA sent two of its senior Managers for the first time adoption of IFRS training in the Miami, Florida, USA, from Dec. 5-9, 2016. More systematic training is required and thinking of migration now is far-fetched. We will highly appreciate for GAC to indicate some IFRS financial Statements prepared by any SOE's.*

- 1.1.2.7 *Additionally, we are working with the SOEs at the Ministry of Finance, Economic and Development Planning for the revaluation of our assets which is the only hindrance to our migration to IFRS.*

Auditor General's Position

- 1.1.2.8 The use of the US GAAP as the financial reporting framework by the NPA Management as opposed to the use of IFRS as adopted by the GoL will definitely undermine the consolidation of SOEs' financials at the MfDP. Therefore, the Management of NPA should ensure that the above audit recommendation is implemented.

1.1.3 Inadequate Documentation

Observation

- 1.1.3.1 Regulation A. 3 (1 and 2) of the PFM Act of 2009 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions

and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20.”

- 1.1.3.2 We noted during the conduct of the audit that revenue in the amount of US\$4,914,602.97 (Four Million, nine hundred fourteen thousand, six hundred two United States Dollars, ninety-seven cents) were not supported by adequate documents. **Refer to Appendix 2A & 2 for details.**

Risk

- 1.1.3.3 The regularity of revenue and expenditure reported cannot be assured.

Recommendation

- 1.1.3.4 Management should provide the necessary documentation.

Management’s Response

- 1.1.3.5 *Management Notes your observation and wishes to clarify that all payments are thoroughly verified through our rigorous internal control procedures. The payment vouchers being referenced in Appendix 2A & 2B were provided to your auditors during the audit, we are again providing copies of those documents for your examination. **Refer to Exhibit B.***

Auditor General’s Position

- 1.1.3.6 We reviewed documents provided by Management which amounted to US\$3,669,015.65. Therefore, we have adjusted the payments without adequate supporting documentation to US\$1,245,587.32 (US\$4,914,602.97-US\$3,669,015.65) to be accounted for by Management.
- 1.1.3.7 Going forward, Management should ensure that payments are adequately supported by documentation.
- 1.1.3.8 Therefore, Management is in breach of financial discipline in line with regulation A.20 of the Public Financial Management Act of 2009 as amended 2010.

1.1.4 Manual Financial Reporting

Observation

- 1.1.4.1 According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), Internal Control Framework, Control activities are the actions established through policies and procedures that help ensure that management’s directives to mitigate risks to the achievement of objectives are carried out.
- 1.1.4.2 We noted during the conduct of the audit that the NPA Management prepares its financial reports manually (Excel) instead of an automated accounting software.

Risk

- 1.1.4.3 The reliability of information reported in the Financial Statements could be in doubt in the absence of an accounting software.

Recommendation

- 1.1.4.4 Management should ensure that an accounting software is acquired and used for effective and efficient recording and reporting of financial information.

Management's Response

- 1.1.4.5 *Management acknowledges your observation. We are transitioning into an automated accounting system where our books of accounts will be automated. We have acquired the Software and our accounting staffer are being trained. We have also been able to maintain proper books of account using excel.*

Auditor General's Position

- 1.1.4.6 We acknowledge Management's assertion. However, we will make follow-up during subsequent audit.

1.1.5 Bank Reconciliation

Observation

- 1.1.5.1 Regulation R.3(6) of the PFM Regulations of 2009 stipulates that "the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof".
- 1.1.5.2 We noted during the conduct of the audit that the NPA Management did not prepare bank reconciliation statements for all of its accounts disclosed in its financial statements.

Risk

- 1.1.5.3 Failure to prepare monthly bank reconciliation statement could lead to error or omission not timely being detected on a timely basis.

Recommendation

- 1.1.5.4 Management should provide justification for not preparing the monthly bank reconciliation statements for accounts stated in its financial statements.

Management's Response

- 1.1.5.5 *NPA reconciles all its bank accounts monthly over the periods 2016/2017 and are available. We are resubmitting the bank reconciliations for fiscal year 2016/2017 for your review. Please see attached.*

Auditor General's Position

- 1.1.5.6 Bank Reconciliation statements submitted by Management for evaluation was not signed, review and/or approved by a designated authority.

- 1.1.5.7 Going forward, Management should prepare bank reconciliation statements, signed, review and approved by a designated authority.
- 1.1.5.8 Therefore, Management is in breach of financial discipline in line with regulation A. 20 of the Public Financial Management Act.

1.1.6 Corporate Social Responsibility (CSR)

Observation

- 1.1.6.1 Section 55 (3) of the Act creating the National Port Authority empowers the Board of Directors to develop policy to guide the NPA administration in executing its function for the smooth operation of the Port.
- 1.1.6.2 We noted during the audit that the NPA Management expended the amount of US\$726,182.00 (Seven hundred twenty-six thousand, one hundred eight-two United States Dollars) for Corporate Social Responsibility (CSR) per its financial statements without an approved policy to regulate said expenditure. Further, the Management failed to provide a schedule that comprises the amount indicated.

Risk

- 1.1.6.3 Funds disbursed could be discretionary.

Recommendation

- 1.1.6.4 The NPA Management should provide justification for making CSR Payments without an approved policy.

Management's Response

- 1.1.6.5 *We doubt whether NPA can provide detailed explanation on the expenditure of Corporate Social Responsibility and Donation for the period other than the appropriate supporting documents detailing who and why these expenditures were made. It should be made clear that expenditures in these lines were consistent with approved budget over the period mentioned. See attached listing. FY 2016-2017.*

Auditor General's Position

- 1.1.6.6 Management's assertion did not provide justification for making Corporate Social Responsibility Payments without an approved policy. Going forward, Management should develop a policy for CSR payments. Therefore, Management is in breach of Section 55 (3) of the Act creating the National Port Authority.

1.1.7 Donation

Observations

- 1.1.7.1 Section 55 (3) of the Act creating the National Port Authority empowers the Board of Directors to develop policy to guide the NPA Administration in executing its function for the smooth operation of the Ports.

- 1.1.7.2 We noted during the conduct of the audit that the NPA Management reported in its financial statements donation in the amount US\$60,545.00 (Sixty thousand, five hundred forty-five United States Dollars) without evidence of an approved policy by the Board of Directors.

Risk

- 1.1.7.3 In the absence of an approved policy, donations could be carried out on a discretionary basis.

Recommendation

- 1.1.7.4 The NPA Management should provide the basis for the donations made and a list of to whom donations were made.

Management's Response

- 1.1.7.5 *Expenditures made for Donation were approved in the NPA annual budget approved by the Board and spent by management thoughtfully with precedence and need based qualification criteria as guide. However, a policy is currently being review by the Board for subsequent approval.*

Auditor General's Position

- 1.1.7.6 We acknowledge Management's assertion that "a policy is currently being review by the Board for subsequent approval". We will make follow-up during subsequent audit.

1.1.8 Professional Fees

Observations

- 1.1.8.1 Regulation P.9 (2) of the Public Financial Management Act of 2009 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers"

- 1.1.8.2 We noted during conducted of the audit that expenditure in the amount of US\$1,039,067.00 (One million, thirty-nine thousand, Sixty-seven United States Dollars) disclosed in the entity's financial statements for professional fees was not supported by evidence of work done and documentation such as contracts, invoices and payment vouchers etc.

Risk

- 1.1.8.3 The regularity and/or genuineness of funds disbursed cannot be assured in the absence of supporting documentation.

Recommendations

- 1.1.8.4 Management should provide justification for making payments without documentation.
- 1.1.8.5 Management should provide a breakdown for amounts reflected for professional fees in the financial statement.

Management's Response

- 1.1.8.6 *we are re-submitting to you copies of vouchers and other supporting documents associated with the transactions. Refer to Exhibit IF. The Payment of professional fees was authorized and approved by Board and implemented by management Those payments were made and adequately supported. We have submitted a schedule of payments and supporting documentation for your review.*

Auditor General's Position

- 1.1.8.7 We reviewed documents provided by Management which amounted to US\$1,028,826.33. Therefore, we have adjusted the payments made for Professional Fees without documentation to US\$10,240.67 (US\$1,039,067.00 -1,028,826.33) to be accounted for by Management.
- 1.1.8.8 Going forward, Management should ensure that payments are adequately supported by documentation.
- 1.1.8.9 Therefore, Management is in breach of financial discipline in line with regulation A.20 of the Public Financial Management Act of 2009 as amended 2010.

1.1.9 Procurement Plan

Observations

- 1.1.9.1 Section 40 of the Public Procurement Concession (PPC) Act of 2005 as amended and restated in 2010 states that "(1) All Procuring Entities shall undertake procurement planning, with a view to achieving maximum value for public expenditure and the other objects of this Act. (2) For each fiscal year the Procurement Unit shall prepare a draft annual procurement plan for goods, works and services for use by the Procuring Entity in the Procuring Entity's budgeting process. Upon budget approval, the Procurement Unit shall prepare an annual procurement plan for goods, works and services in accordance with the Procuring Entity's approved programs and budget and furnish it to the Procurement Committee. The plan shall include.
- (a) A brief description of each planned procurement contract;
 - (b) The estimated cost of each planned procurement contract;
 - (c) The procurement method to be used; and
 - (d) Processing steps and time schedules
- 1.1.9.2 We noted during the conduct of the audit that total expenditure approved for goods and services in the entity's procurement plan was exceeded in the financial statement by US\$1,391,263.62 (One million, three hundred ninety-one thousand, two hundred sixty-three United States Dollars, sixty-two cents) **Refer to Appendix 3 for details.**

Risk

- 1.1.9.3 Spending in excess of amounts approved could lead to misapplication of funds

Recommendation

- 1.1.9.4 Management should provide justification for spending in excess of what was approved in the entity's procurement plan.

Management's Response

- 1.1.9.5 *We are re-submitting to you, procurement and cash plan for fiscal year 2016/2017 for your review, **Refer to Exhibit F.***

Auditor General's Position

- 1.1.9.6 Management's assertion does not address the issue raised. Going forward, Management should ensure that procurement of goods and services are consistent with the entity's approved procurement plan. Therefore, Management is in breach of Section 40 of the Public Procurement Concession (PPC) Act of 2005 as amended and restated in 2010.

1.1.10 Procurement Method

Observations

- 1.1.10.1 Section 48(1) of the PPC Act of 2005 amended and restated in 2010 states " National Open Competitive Bidding (1) Except as provided in subsection (2) of this Section, in procurement proceedings in which the Procuring Entity decides that only domestic suppliers or contractors are likely to be interested in submitting bids, the Procuring Entity shall employ national open competitive bidding procedures for procurements in which the estimated contract price of the procurement does not exceed the ceiling Threshold applicable to national open competitive bidding."
- 1.1.10.2 It was observed during the conduct of the audit that the NPA Management expended US\$3,008,895.00 (Three million, eight thousand, eight hundred ninety-five United States Dollars) for goods and services without evidence of adherence to the National Open Competitive Bidding process as required by the PPC Act of 2005 as amended and restated in 2010. **Refer to Appendix 5 for details.**

Risk

- 1.1.10.3 Failure to adhere to the National Open Competitive bidding process could discourage competition and undermine the achievement of value for money.

Recommendation

- 1.1.10.4 Management should provide justification for failing to adhere to the PPC Act of 2005 as amended and restated in 2010.

Management's Response

- 1.1.10.5 *Please find below NPA's Procurement Methods:*
- *Open Tendering*
 - *Restricted Tendering*
 - *Requests for Proposals(RFP)*
 - *Two Stage Tendering*
 - *Request for Quotations*
 - *Single Source*

Auditor General's Position

- 1.1.10.6 Management's assertion does not address the issue raised. Going forward, Management should ensure that the appropriate procurement methods approved in the entity's approved procurement plan is adhered to. Therefore, Management is in breach of Section 48(1) of the Public Procurement Concession (PPC) Act of 2005 as amended and restated in 2010.

1.1.11 In-Kind Contribution

Observation

- 1.1.11.1 FASB ASC 250-10-45-5 states that "The cumulative effect of the change on periods prior to those presented should be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented. An offsetting adjustment, if any, shall be made to the opening balance of retained earnings or other appropriate components of equity or net assets in the statement of financial position for that period. Financial statements for each individual prior period presented should be adjusted to reflect the period-specific effects of applying the new accounting principle."
- 1.1.11.2 Additionally, FASB ASC 250-10-05-2 requires that unless impracticable or otherwise specified by applicable authoritative guidance, retrospective application to prior periods financial statements of change in accounting principle. Retrospective application is the application of a different accounting principle to prior accounting periods as if that principle had always been used more specifically.
- 1.1.11.3 We noted that the NPA Management reported a closing In-Kind contribution balance amounting to US\$82,771,534.00 (Eighty-two thousand, seven hundred seventy-one thousand, five hundred thirty-four United States Dollars) in the retained earnings statement, but could not be traced to any accumulated activity of the entity.

Risk

- 1.1.11.4 Unexplained figures appearing in the financial statements may lead to unfair presentation of the financial statement.

Recommendation

- 1.1.11.5 Management should provide the detail explanation and supporting documents for the figure stated in the financial statements as in-kind contribution

Management's Response

- 1.1.11.6 *On October 25, 2006, the Government of Liberia absorbed NPA's indebtedness in the tune of US\$32.2Million incurred during the period 1977 to 2005 to the extent that their validity is confirmed and **US\$50.0Million** for estimated added of pier rebuild by APM Terminal sum up of In-Kind contribution of **US\$82.2Million**. This document served as basis for what constituted the 'In-kind Contribution'. The in-kind contribution was classified in the Capital section of the Balance sheet since 2007 by the then GEMAP Comptroller. Furthermore, we refute claims that the in-kind Contribution figure did not appear in the 2016-2017 financial; we will highly appreciate where you to revisit NPA 2016/2017 Annual report under the Owner's equity portion, you will see that said figure was not written off. **Please find Exhibit III.***

Auditor General's Position

- 1.1.11.7 Payment made by Government of Liberia on behalf of the Port Management should not be classified as a retained earning but should rather be classified as revenue/grant depending on the detailed of the support document. The entry should be a credit to in kind contribution

account and a debit to an expense account. Further Management should present these adjustments, the GoL settlement and US\$82,771,534.00 for review during subsequent audit.

1.1.12 Fixed Assets

Observation

1.1.12.1 FASB ASC 360-10-50-1 requires that the following disclosures to be made in the Financial Statements or notes thereto:

- a. Depreciation expense for the period;
- b. Balances of major classes of depreciable assets, by nature or function, at the balance sheet date;
- c. Accumulated depreciation, either by major classes of depreciable assets or in total, at the balance sheet date;
- d. A general description of the method(s) used in computing depreciation with respect to major classes of depreciable assets

1.1.12.2 We noted during the conduct of the audit that there was no evidence that the balances indicated in the register reflect the fair value of the assets on the NPA's books.

Risk

1.1.12.3 The accuracy of the fixed assets balance could be in doubt in the absence of a complete and accurate fixed asset register.

Recommendation

1.1.12.4 The NPA Management should provide the fixed asset register.

Management's Response

1.1.12.5 *NPA fixed assets (schedule) registrar does not only reflect the cost of asset, monthly depreciation, accumulated depreciation and net value original cost as claimed by GAC. It includes location, date of purchase and model of the Asset acquired. Vehicles, Buildings and Equipment are marked by function or Department and coded. However, we take note of the issue of coding other assets that are neither coded nor marked. In the absence of fixed assets registrar, NPA's Management has a fixed assets schedule. Nevertheless, the issue of establishing a registrar is in progress.*

1.1.12.6 *NPA has and always maintained an Asset disposal details contrary to GAC claim;*

- *Vehicles disposal are consistent with Article IV section 1 Buy-your-own Car Scheme of the Transportation Policy; Transport, Finance, DMD/Administration and Managing Director offices are copied on details of disposal (i.e. vehicle type, license plate, Cash receipt number, disposal date and name of the buyer).*
- *Vehicles, Equipment and other Assets disposal are done through public auction consistent with Auction policy; a brochure with details description of assets including price are made available. Management's committee conducts said exercise and the list*

*of winners is published and following financial fulfillment, the Claims Section of the Transport Department maintained a detailed description of assets disposed of. **Refer to Exhibit C.***

Auditor General's Position

- 1.1.12.7 Management's assertion does not adequately address the issue raised. The fixed assets schedule provided by Management does not include assignee, assets code, current condition and location.
- 1.1.12.8 Going forward, Management should ensure that the fixed assets register contains or have all the components necessary for a fixed asset such as assets code, assignee, current condition, location, life span, depreciation value, amount and date purchased.

APPENDIX

Appendix 1: Unsupported Payments

Date	Vou. #	Check #	Vendors	Remarks	Amount (US\$)
6-Sep-16	90	00200540	Sema G. Tulay	Replenishment of Comptroller office petty cash	9,700.00
3-Jan-17	1001	00073780	City Cars Rentals	Transportation Service for NPA employees for the period, Jan 16, 2016-Feb 15, 2017	25,200.00
3-Jan-17	1003	00073782	Fofie V. Kamara	Third installment payment for Jan 2, 2017	10,466.36
3-Jan-17	1010	00355931	Nyekeh Y. Forkpa	Executive housing Allotment for the period Jan 2017-June 2017	6,480.00
6-Jan-17	1041	2275607	Selekie Kamara	Local Travel Perdiem	400.00
9-Jan-17	1073	2275623	K&K Trading Corporation	Rice 25kg for Executive directors, Asst Directors, Manager, for the month of Jan 2017(Reissued)	2,080.00
9-Jan-17	1075	2275624	Super Petroleum Inc	Fuel for NPA Board Members for the month of Jan 2017(Reissued)	4,178.55
10-Jan-17	1113	00355985	Samuel Wlue	Third Quarter Board Fees 2016/2017	4,500.00
11-Jan-17	1118	00355989	Total Liberia	Fuel for the Port of Buchanan/Operation	8,685.75
12-Jan-17	1128	00355993	Continental General & Life Insurance Corp.	Premium payment for the period of one year Dec 24, 2016-Dec. 23, 2017	8,333.34
13-Jan-17	1139	2276467	Actos General Parts	Material needed for generators within the port of Buchanan	1,125.00
13-Jan-17	1148	00073815	GBK Motor INC	Payment for vehicle repair cost	6,524.00
17-Jan-17	1167	00619003	Ecobank liberia Limited	Employees with Ecobank account salaries for the month of Jan 2017	150,736.60
17-Jan-17	1169	00619006	Ecobank liberia Limited	Contractors with account salaries for the month of Jan 2017	77,917.26
18-Jan-17	1191	00073826	Continental General & Life Insurance Corp.	Payment covering the period, Dec 2016-Dec. 19, 2017 for four pieces of Equipment	8,333.34
20-Jan-17	1221	00073853	Sema G. Tulay	For Caps, T-Shirts & Printings	6,800.00
24-Jan-17	1248	00073877	Super Petroleum Inc	Fuel for one (1) NPA Board Member for the month of Feb 2017	4,178.55
30-Jan-17	1284	00619027	Venture Technology	Materials to secure Laptops within the system	8,490.00
31-Jan-17	1314	0003328	J Daffa Wiles	Outport Employees Manager claim of unpaid gasoline	7,868.40
Feb 1, 2017	2003	00619040	Samuel K Doe	Local Travel Perdiem	2,525.00
2-Feb-17	2022	0003346	Diome Commucation	To Facilitate payment for an Expression of the Port interest	3,199.86

Management Letter on the
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Date	Vou. #	Check #	Vendors	Remarks	Amount (US\$)
			Corporation Inc	advert on the rehabilitation of the port of Greenville	
6-Feb-17	2034	00073906	Aloysius T. Kruah	Casual payment for Fire Service Department for the month of Jan 11-Jan 25, 2017	650.00
7-Feb-17	2045	00073907	Emmanuel Z. Davies	Local Travel Perdiem	450.00
10-Feb-17	2058	0003353	Omega Supply Chain	Life Jacket, Overhaul needed for Marine Department	1,740.00
Feb 10,2017	2061	00619072	Sema G. Tulay	Facilitator perdiems, Training material Freight & Contingency	9,980.00
13-Feb-17	2067	0003357	Cora Brown	Five days training of NPA marines	2,000.00
14-Feb-17	2068	00073911	Gursev Steel	Purchase of Materials	631.00
16-Feb-17	2083	0003362	New Millinium Printing & Publishing Inc	Transfer payment to RMU for course Fee	7,975.00
Feb 16,2017	2087	00619086	Sema G. Tulay	Contractor salary without Bank Account for the Month of Feb 2017	5,035.50
Feb 16,2017	2092	00619092	Port Authority Credit Union (PACU)	Employees PACU deduction for the month of Feb 2017	19,433.00
Feb 16,2017	2093	00619091	Ecobank Liberia Limited	Employees salarary with Ecobank Account for the month of Feb 2017	134,901.72
Feb 16,2017	2096	00619094	Ecobank Liberia Limited	Social Security contributions from Employees Salaries for the Month of Feb 2017	7,138.20
16-Feb-17	2097	0003364	First International Bank	Employees salaries with FIB Account for the month of Feb 2017	25,195.47
16-Feb-17	2098	0003365	G B Bank	Contractors salaries with GN bank Account for the month of Feb 2017	29,492.30
16-Feb-17	2108	00073918	Jerry Jeh	Local Travel Perdiem	490.00
Feb 17,2017	2111	00619095	Ecobank Liberia Limited	Contractors Salaries for the month of Feb 2017	16,282.73
17-Feb-17	2118	0003375	Omega Supply Chain	cement bags for the technical garage at the port of harper	1,500.00
Feb 20,2017	2130	00619104	Basir Business Center	Additional project materials for Harper Port	2,772.00
21-Feb-17	2145	0003382	Aloysius T. Kruah	Environment casuals payment for Feb 1-15, 2017	5,315.00
Feb 22,2017	2151	00619121	Peach Contruction Company	Balance share of revenue for log handling service	2,767.02
22-Feb-17	2160	0003385	EverGreen Auto Service	Purchase of Materials	1,043.00
27-Feb-17	2174	0003397	Aloysius T. Kruah	Technical Casual payment for Feb 1-15, 2017	4,965.00

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Date	Vou. #	Check #	Vendors	Remarks	Amount (US\$)
1-Mar-17	3003	00619150	Saksouk Shopping Center	Scratch Card for the month of March, 2017	9,125.00
1-Mar-17	3006	0003419	United Commodities Incorporated	25 kg bags of rice executive director, Asst Managers for the month of March, 2017	2,112.00
1-Mar-17	3008	00619152	United Commodities Incorp	25kg of rice for NPA Employees for the month of March, 2017	7,456.00
1-Mar-17	3009	00619153	Omega Supply Chain	Sheets needed for the Port Of Harper	9,476.00
1-Mar-17	3010	0003420	Instant Group of Companies	Water for the month of March, 2017	2,422.00
1-Mar-17	3012	00619154	Jupiter Construction Inc	Transportation equipment for the Port of Monrovia to the Port of Greenville	19,140.00
1-Mar-17	3012	00619154	Jupiter Construction Inc	Transportating equipment for the Port of Monrovia to the Port of Greenville	19,140.00
1-Mar-17	3017	0003424	Aloysius T. Kruah	Monitoring & Evaluation casual payroll for Feb 16-28, 2017	1,815.00
1-Mar-17	3018	0003425	Aloysius T. Kruah	Property & Environment Department Casual workers payment for Feb 16-28, 2017	4,945.00
1-Mar-17	3018	0003425	Aloysius T. Kruah	Property & Environment Department Casual workers payment for Feb 16-28, 2017	4,945.00
2-Mar-17	3022	0003429	Radio Bushrod	Payment for service rendered to NPA for the month of Feb 2017	3,600.00
2-Mar-17	3024	00619158	City Car rentals	Transportation Services for NPA Employees for the period March 16,2016-April 15,2017	25,200.00
2-Mar-17	3027	00619160	Y & Sons Inc	To extract continuous oil spillaga to avoid further spread	5,000.00
2-Mar-17	3028	00619161	Libtelco	Monthly Subscription for the month of March 2017	4,628.75
3-Mar-17	3030	00073925	Aloysius T. Kruah	Technical Casual workers payment for the period February 16-28, 2017	4,425.00
3-Mar-17	3031	00073926	Sema G. Tulay	To facilitate court Process	8,500.00
3-Mar-17	3032	00073927	Sema G. Tulay	Payment for assessment of Stricker 1 for salvage	2,000.00
7-Mar-17	3034	00073929	Total Liberia	Fuel for the port of Buchanan operations for the period Morach 1-31, 2017	8,963.25
7-Mar-17	3035	00073930	Harriet T. G Toomey	A Trip to the Port of Greenville	5,502.20
7-Mar-17	3038	00073932	West Africa Maritime Security	Advance payment to WANSEC to conduct PPSA & Development PFS for Port of Greenville	4,612.50

Management Letter on the
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Date	Vou. #	Check #	Vendors	Remarks	Amount (US\$)
17-Mar-17	3108	00619167	Ecobank Liberia Limited	Contractors with Ecobank account salaries for the month of March 2017	89,136.29
17-Mar-17	3110	00619169	Ecobank Liberia Limited	Social Security contributions from Employees Salaries for the of March 2017	6,542.77
17-Mar-17	3110	00619169	Ecobank Liberia Limited	Social Security contributions from Employees Salaries for the of March 2017	3,816.62
17-Mar-17	3111	00619172	Sema G. Tulay	Contractor salary without Bank Account for the Month of Feb 2017	5,658.57
17-Mar-17	3114	00619173	Port Authority Credit Union (PACU)	PACU deduction from pensioners benefit for the month of March 2017	4,148.55
17-Mar-17	3115	00619174	Ecobank Liberia Limited	Pensioner with Ecobank account benefits for the month of March 2017	33,217.99
30-Mar-17	4016	00074023	Love Travel and Tour	To facilitate Travel	17,795.00
4-Apr-17	4021	00074027	Liberia Electricity Corporation	Electricity Bill for the month of Feb 2017	3,324.06
4-Apr-17	4023	00074031	VAX INC	Service rendered to NPA for the month of March 2017	5,089.70
1-May-17	5004	0003612	Total Liberia	fuel for M/E sinoe River	4,725.00
3-May-17	5041	0003625	Harbel Super Market	Purchase of Senatorial for March and April 2017	3,364.00
4-May-17	5055	00074081	Electricity	Materials for head office conference room and filing office	7,700.00
4-May-17	5058	00619326	Omega Supply Chain	Safety Material to be places on shelf for use by employees	9,900.00
5-May-17	5079	00619337	Brussel Air Line	Purchase of air Tickes	13,537.00
29-May-17	5237	00619392	Donald Gwikolo	Contractors Retroactive pay for the Period Sept 19-Oct 31, 2016	2,305.39
5-Jun-17	6040	00619413	Ecobank liberia Limited	Vessel shore gang wages payment for May 15-28, 2017	3,363.84
6-Jul-16	7068	2299159	Expert Travel Service	Purchase of two air tickets for Randall S. Gblee and Nancy Kreyoh to Israel	4,370.00
29-Jul-16	7258	00200463	Super Petroleum	Gasoline & fuel coupons for the month August 2016	35,303.70
29-Jul-16	7259	00200464	Saksouk Shopping Center	Scratch cards needed for the month of August 2016	8,735.00
29-Jul-16	7262	00200467	K&K Trading Corporation	Rice needed for NPA junior staff for the month of August 2016	7,232.00
1-Sep-16	9002	00200526	LBDI	Emergency Fund	2,800.00
1-Sep-16	9006	00355458	Peach Construction INC	Share of Revenue Advance payment	9,375.00



Management Letter on the
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Date	Vou. #	Check #	Vendors	Remarks	Amount (US\$)
1-Sep-16	9007	00200530	Adolphus B. Marchall	Service Rendered NPA management for the Month of August 2016	6,055.00
2-Sep-16	9023	00355463	Dannes K. Kollie	MD's Discretionary Fund	5,000.00
2-Sep-16	9029	2300299	First International Bank	Greeneville Port casual workers payment for Aug 3-16, 2016	2,105.00
2-Sep-16	9034	2282679	Chapaye B. Kwiyarhe	Greeneville labor Gang payment for the period fourteen days	3,512.14
2-Sep-16	9036	2282680	Sema G. Tulay	Electricity centralization Emergency fund	4,500.00
9-Sep-16	9070	00200545	Sema G. Tulay	Transportation allowance for the period July, august & September 2016	5,500.00
12-Sep-16	9076	00355500	Total Liberia	Diesel Fuel for Buchanan Port staff sept 1-30,2016	8,269.50
13-Sep-16	9083	2282689	Dannes K. Kollie	MD's Discretionary fund	5,000.00
13-Sep-16	9088	00355505	NPA Buchanan Operational Funds	Purchase of tyre of to place fenders along the marginal wharfe at the port of Buchanan	6,510.00
19-Sep-16	9147	2282704	Adolphus B. Marchall	Sanitation Casual payment for the month September 1-6, 2016	4,780.00
20-Sep-16	9169	2282713	Sema G. Tulay	Preparation to facilities Aug boat	17,000.00
28-Sep-16	9227	00355620	Super Petroluem Company	Coupons needed for NPA general staff for the month of Oct. 2016	33,241.95
4-Oct-16	10022	00355672	Fatu S. Fofana	For X-mas gift for government officials, board members and other official	16,325.60
5-Oct-16	10037	00355684	David F. Williams	To represent the management of NPA at the sister port dialogue at the George Port	14,899.00
5-Oct-16	10038	00355685	John G. Bestman	To represent the management of NPA at the sister port dialogue at the George Port	10,772.00
14-Oct-16	10109	00200563	Sema G. Tulay	To facilitate the quick fix of the pier to enable the Cemenco Vessel berth	5,500.00
19-Oct-16	10143	00200579	Sema G. Tulay	Labour related cost	6,550.00
20-Oct-16	10160	00200590	Liberia Environmental Service	Conduct survey and submit to NPA an inventory of NPA's covered with be store	8,640.00
6-Sep-16		2282682	Sema G. Tulay	Study to determine the structure integrity of the pier the Port of Greeneville	9,500.00
Total					1,245,587.32



Appendix 2: Procurement Plan

No.	Contract Package	Approved Procurement Method	Amt. per Procurement Plan A (US\$)	Expenditure per Financial Statement B (US\$)	Variance C= A-B (US\$)
1	Truck & Heavy-Duty Equipment Rental	NCB	410,000.00	455,075.00	(45,075.00)
2	Renovation of offices, Bldgs/Residence	NCB	312,853.00	332,824.00	(19,971.00)
3	Equipment & Software for ISPS Implementation	NCB	247,431.00	263,347.00	(15,916.00)
4	Motor Vehicle Repairs & Maintenance	RB	180,000.00	206,200.00	(26,200.00)
5	Plant & Equipment Maintenance (Generators, Forklift	NCB	146,985.00	372,057.00	(225,072.00)
6	Vehicle Insurance	NCB	116,854.58	269,080.00	(152,225.42)
7	Medical Insurance	NCB	90,000.00	804,606.00	(714,606.00)
8	Janitorial Service	NCB	36,443.80	50,358.00	(13,914.20)
9	Fumigation Services	NCB	25,494.00	41,456.00	(15,962.00)
10	Postage	RFQ	7,496.00	169,818.00	(162,322.00)
TOTAL					(1,391,263.62)

Appendix 3: Non-adherence to PPC Act

No.	Contract Package	Approved Procurement Method	Expenditure per Financial Statement B (US\$)
1	Truck & Heavy-Duty Equipment Rental	NCB	455,075.00
2	Renovation of offices, Bldgs/Residence	NCB	332,824.00
3	Equipment & Software for ISPS Implementation	NCB	263,347.00
5	Motor Vehicle Repairs & Maintenance	RB	206,200.00
8	Plant & Equipment Maintenance (Generators, Forklift)	NCB	372,057.00
9	Vehicle Insurance	NCB	269,080.00
11	Medical Insurance	NCB	804,606.00
13	Vehicles Rental	RB	725.00
14	Entertainment/ Refreshment	NCB	43,349.00
15	Janitorial Service	NCB	50,358.00
16	Fumigation Services	NCB	41,456.00
17	Postage	RFQ	169,818.00
			3,008,895.00