



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statements Audit of
the Liberia Telecommunications
Corporation (LIBTELCO)**

For the Year Ended June 30, 2017

December 2022

**P. Garswa Jackson Sr. FCCA, CFIP, CFC
Auditor General, R.L.**

Table of Contents

Adverse Opinion.....	4
Basis for Adverse Opinion	4
Management’s Responsibilities	4
Auditor’s Responsibilities.....	5
Financial Statement of the Liberia Telecommunications Corporation (LIBTELCO) FY Ended June 30, 2017	6
STATEMENT OF AFFAIRS.....	7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS.....	10

Republic of Liberia

Richmond N. Tobii Sr.
Managing Director
Liberia Telecommunications Corporation ()
Republic of Liberia



November 8, 2023

Dear Hon. Tobii:

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

We have undertaken the audit of the Liberia Telecommunications Corporation (LIBTELCO) for the financial year ended June 30, 2017. The audit was conducted under the Auditor General's statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

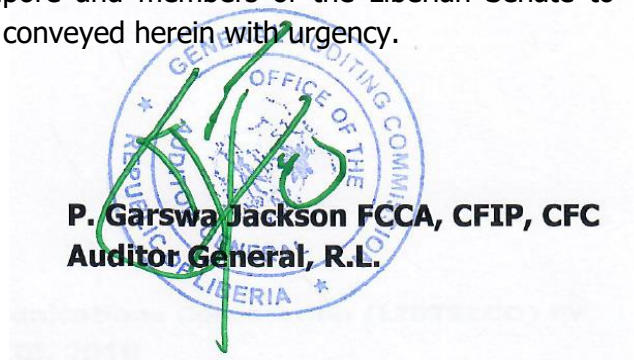
Findings conveyed in this report have been formally communicated to the Management of the Liberia Telecommunications Corporation. Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

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.

P. Garswa Jackson FCCA, CFIP, CFC
Auditor General, R.L.

Monrovia, Liberia

November 2023



AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA TELECOMMUNICATIONS CORPORATION (LIBTELCO) FOR THE FISCAL PERIOD ENDED JUNE 30, 2017

Adverse Opinion

We have audited the financial statements of the Liberia Telecommunications Corporation (LIBTELCO), which comprise the statement of financial position as at June 30, 2017, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly the financial position of LIBTELCO as at June 30, 2017, and its financial performance and cash flows for the year then ended in accordance with United States Accounting Standard Codification (ASC).

Basis for Adverse Opinion

Cash receipts in the booklets amounting to US\$425,898.39 could not be traced to the cash ledgers. The total value of invoices recorded per customer in the receivables ledger for which files were not provided amounted to US\$421,818.80.

Inventory amounting to US\$810,615.00 not written down to the lower of cost or net realizable value as at the reporting date.

Ending balance in the 'Opening Balance Equity' ledger from 2015/2016 different from the opening balance for 2016/2017 in the same ledger by US\$999,694.25.

Ending balance in the "Capital Reserve/Paid In Capital" ledger from 2015/2016 different from the opening balance for 2016/2017 in the same ledger by US\$4,831,373.40.

Inadequate disclosure of the US\$5,000,000.00 investment in Cable Consortium Liberia in line with ASC 323 which requires the full disclosure of investment in the financial statements.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Management of LIBTELCO in accordance with the ethical requirements that are relevant to our audit of the financial statements under INTOSAI, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Management's Responsibilities

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US Generally Accepted Accounting Principles (GAAP), financial reporting under the

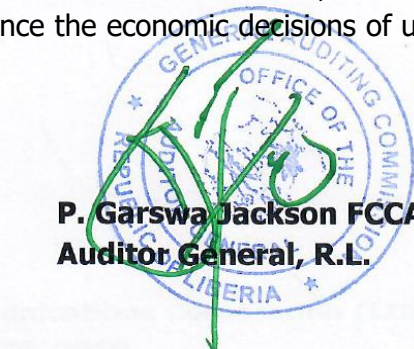
Accounting Standard Codification (ASC), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the institution's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing LIBTELCO's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**P. Garswa Jackson FCCA, CFIP, CFC
Auditor General, R.L.**

Monrovia, Liberia
December 2022

*AUDITOR GENERAL'S REPORT On the
Financial Statements Audit of the
Liberia Telecommunications Corporation (LIBTELCO)
For the Year Ended June 30, 2017*

**Financial Statements of the Liberia Telecommunications Corporation (LIBTELCO) FY
Ended June 30, 2017**



STATEMENT OF AFFAIRS

As at June 30, 2017

Assets	30-Jun-17 US\$	30-Jun-16 US\$
Non-Current Assets		
Cash & Cash Equivalent	506,211	283,753
Trade balance receivable	586,515	147,884
Other receivables	40,447	459,458
Inventory	810,615	810,615
Investment	5,000,000	5,000,000
Property, Plant & Equipment	10,934,681	11,325,293
Other Assets	935,217	-
Intangible Assets	1,666,665	2,033,333
Total Assets	20,480,351	20,060,336
Current liabilities		
Bank Overdraft	-	-
Bank loan	-	-
Trade payables	610,378	611,672
Other payables	2,612,275	1,923,696
Total current liabilities	3,222,653	2,535,368
Non-current Liabilities		
Amount due to related company	4,997,232	5,589,676
Contingent Liability	499,322	500,322
Loan from CCL	-	-
Total non-current liabilities	5,496,554	6,089,998
Total Liabilities	8,719,207	8,625,366
Equity and reserves		
Share Capital	15,206,220	15,206,220
Retained Losses	(3,445,074)	(3,771,250)
Total Equity	11,761,146	11,434,970
Total Liabilities and Equity	20,480,353	20,060,336

STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30, 2017

	30-Jun-17 US\$	30-Jun-16 US\$
Revenue	3,295,969	3,574,795
Direct Costs	(219,618)	(204,726)
Gross profit	3,076,351	3,370,069
Other income	789,933	368,101
Personnel expenses	(1,431,025)	(789,100.00)
Depreciation and amortization	(1,089,234)	(897,957)
Administrative expenses	(1,195,503)	(4,044,499)
Technical expenses	-	-
Operating Profit	(3,715,762)	(1,993,386)
Net Results from Operations	150,522.00	(1,993,386.00)

STATEMENT OF CHANGES IN EQUITY

Annual report for the year ended June 30, 2017

	Share Capital US\$	Retained Earnings US\$	Total Equity US\$
Balance at July 1, 2015	15,206,220	(3,365,305)	11,840,915
Prior year adjustment	-	1,587,442	1,587,442
Net loss for the year	-	(1,993,386)	(1,993,386)
Balance at June 30, 2016	15,206,220	(3,771,250)	11,434,970
Balance at July 1, 2016	15,206,220	(3,771,250)	11,434,970
Prior year adjustment	-	786,654	608,680
Net loss for the year	-	(460,478)	(460,478)
Balance at June 30, 2017	15,206,220	(3,445,074)	11,583,172

STATEMENT OF CASH FLOWS

Annual report for the year ended June 30, 2017

	30-Jun-17 US\$	30-Jun-16 US\$
Operating Activities:		
Profit/(Loss) before tax	(460,478)	(1,993,386)
Adjustment for:		
Depreciation and amortization	1,089,234	897,958
	628,756	(1,095,428)
Changes in working capital:		
Change in trade receivables	(19,620)	1,042,232
Change in other assets	(935,215)	(331,359)
Change in inventories	-	-
Change in trade and other payables	687,285	(1,324,249)
Net cash provided by Operating Activities	361,206	(1,708,804)
Cash flows from investing activities		
Acquisition of property plant and equipment	(331,954)	(993,034)
Adjustment to PPE	-	-
Net cash used in investing activities	(331,954)	(993,034)
Cash flows from financing activities:		
Payment of long-term loans	(592,444)	-
Movement in contingent liability	(1,000)	-
Retained Earnings	-	-
Other non-cash items	-	-
Payment of contingent liability	-	-
Net cash used in financing activities	(593,444)	-
Adjustment to retained earnings	786,654	1,587,442
Net (decrease)/increase in cash and cash equivalent	222,458	(1,114,396)
Cash and cash equivalents at 1 July 2016	283,753	1,398,149
Cash and cash equivalents at 30 June 2017	506,211	283,753