



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, 2018

December 2022

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

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Republic of Liberia



Richmond N. Tobii Sr.
Managing Director
Liberia Telecommunications Corporation (LIBTELCO)
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, 2018. The audit was conducted under the Auditor General's statutory mandate, as provided for under section 2.1.3 of the GAC Act of 2014.

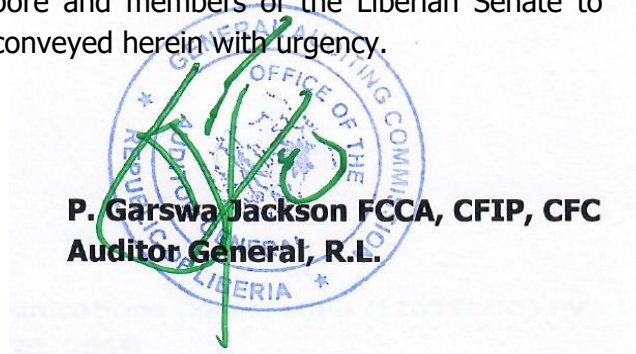
Findings conveyed in this report have been formally communicated to the Management of the Liberia Telecommunications Corporation. Where responses have been provided by the Management on the audit findings, these have been evaluated and incorporated in this report.

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.

Monrovia, Liberia

November 2023

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



AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA TELECOMMUNICATIONS CORPORATION (LIBTELCO) FOR THE FISCAL PERIOD ENDED JUNE 30, 2018

Adverse Opinion

We have audited the financial statements of the Liberia Telecommunications Corporation (LIBTELCO), which comprise the statement of affairs/financial position as at June 30, 2018, and statement of income and expenses/comprehensive income, statement of capital reserve/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, 2018, 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

Inventory amounting to US\$1,041,937.00 not written down to the lower of cost or net realizable value as at the reporting date.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Accounts Receivables by US\$2,555,204.94.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Property Plant and Equipment by US\$2,351,314.56.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Trade Payables and Accruals by US\$4,215,099.61.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Long Term Liabilities by US\$4,997,232.00.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Retained Earnings by US\$4,554,484.90.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Share Capital/Capital Reserve by US\$4,831,373.40.

The opening balance for the current year (2017/2018) was materially different from the closing balance of the prior year (2016/2017) for Cash and Bank by US\$106,266.53.

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.

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

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.

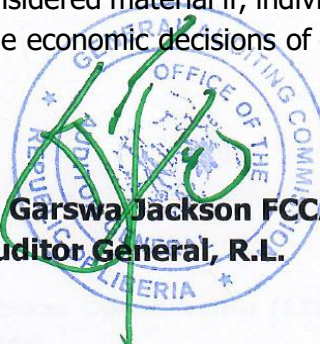
In preparing the financial statements, management is responsible for assessing the institution's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the institution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

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.

Monrovia, Liberia
December 2022

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



*AUDITOR GENERAL'S REPORT On the
Financial Statements Audit of the
Liberia Telecommunications Corporation (LIBTELCO)
For the Year Ended June 30, 2018*

**Financial Statements of the Liberia Telecommunications Corporation (LIBTELCO) FY
Ended June 30, 2018**



STATEMENT OF AFFAIRS

As at June 30, 2018

ASSETS	US\$
Cash & Bank Balances	94,010.87
Accounts Receivables	3,764,653.08
Rental Receivables	50,000.00
Employees Receivable	5,931.01
Inventory	1,041,937.00
Investment	5,000,000.00
Capitalized Expenses	92,893.00
Intangible Assets	1,666,665.00
Land	387,579.94
Office Equipment	111,633.36
Furniture & Fixtures	7,052.85
Vehicles	156,264.14
Communication Equipment	2,942,384.21
Duck & Fiber	128,915.59
Buildings	3,275,165.62
Towers	1,033,167.00
Generators & Power Equipment	575,583.52
Total Assets	20,333,836.19
LIABILITIES	
Accounts Payables	2,738,508.38
Other Liabilities	2,535,526.48
ZTE Payable	4,320,176.00
Total Liabilities	9,594,210.86
EQUITY	
Share Capital	11,374,856.19
Retained Earnings	2,064,047.91
Current Year Earnings	(194,829.71)
Total Equity	13,244,074.39
TOTAL LIABILITIES & CAPITAL RESERVE	22,838,285.25

STATEMENT OF INCOME & EXPENSES

For the fiscal year ended June 30, 2018

	2018
	US\$
INCOMES (SOURCES OF FUNDS)	
Revenue	3,382,579.67
Sale Discounts	(215.00)
Sale Returns & Allowance	(1,275.00)
Net Revenue	3,381,089.67
Cost of Goods Sold	(387,579.94)
Gross Margin	2,993,509.73
EXPENSES (USES OF FUNDS)	387,579.94
General & Administrative Expenses	1,325,031.78
Personnel Cost	1,387,731.38
Fuel Cost	348,852.86
Depreciation	126,723.42
Total Expenses	3,188,339.44
NET INCOME (CASH SURPLUS)	(194,829.71)

STATEMENT OF CAPITAL RESERVES

As at June 30, 2018

US\$

EQUITY

Opening Balances	11,374,856.19
Net Income	(194,829.71)
Retained Earnings	2,064,047.91
Net Capital Reserves	13,244,074.39

CASH FLOW ANALYSIS

As at June 30, 2018

	2018
	US\$
NET SOURCES & USES OF FUNDS:	
Net Income	(194,829.71)
NET EFFECT OF OPERATION TO CASHFLOWS:	
Depreciation	126,723.42
Receivables	(603,196.47)
Payables	722,248.32
Capital Assets	(694,467.69)
TOTAL CASH OUTFLOWS	(448,692.42)
DIFFERENCE OF INFLOWS TO OUTFLOWS	(643,522.13)
Cash and Bank Balances B/F	506,211.00
NET CASH FLOW FOR THE PERIOD	(137,311.13)