



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, 2019**

**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:

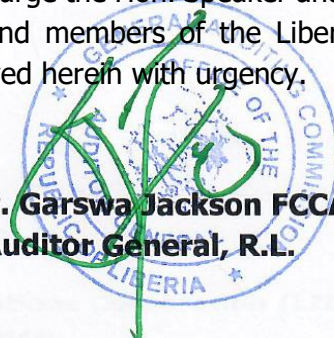
**The Honourable Speaker of the House of Representatives and the President Pro- Tempore of the House of Senate.**

We have undertaken the audit of the Liberia Telecommunications Corporation (LIBTELCO) for the financial year ended June 30, 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 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, 2019**

**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, 2019, 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, 2019, 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\$1,299,247.58 not written down to the lower of cost or net realizable value as at the reporting date in line with ASC 330.

Cash receipts of US\$27,323.69 not traced as recorded in the cash ledger.

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.

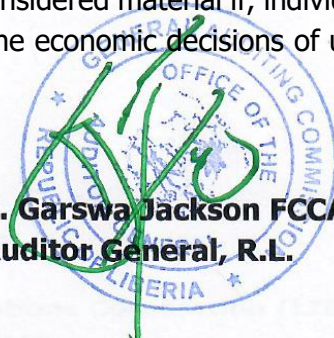
In preparing the financial statements, management is responsible for assessing the institution's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and

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, 2019*

**Financial Statements of the Liberia Telecommunications Corporation (LIBTELCO) FY  
Ended June 30, 2019**



## STATEMENT OF AFFAIRS

As at June 30, 2019

	30-Jun-19
<b>ASSETS</b>	<b>US\$</b>
Cash & Bank Balances	(5,763.15)
Accounts Receivables	4,820,402.47
Rental Receivables	50,000.00
Employees Receivable	18,951.76
Prepayments	1,100.02
Inventory	1,299,247.58
Investment	5,000,000.00
Capitalized Expenses	83,353.23
Intangible Assets	1,666,665.00
Accounting Software	5,760.00
Land	2,886,269.00
Office Equipment	147,531.91
Furniture & Fixtures	27,475.13
Vehicles	221,159.47
Communication Equipment	2,897,748.80
Duck & Fiber	116,861.27
Buildings	3,157,475.61
Towers	992,080.83
Generators & Power Equipment	876,945.42
<b>Total Assets</b>	<b>24,263,264.35</b>
<b>LIABILITIES</b>	
Accounts Payables	4,988,469.43
Other Liabilities	855,352.28
ZTE Payable	4,320,176.00
<b>Total Liabilities</b>	<b>10,163,997.71</b>
<b>EQUITY</b>	
Share Capital	9,623,034.54
Retained Earnings	4,398,744.22
Current Year Earnings	82,487.88
<b>Total Equity</b>	<b>14,104,266.64</b>
<b>TOTAL LIABILITIES &amp; CAPITAL RESERVE</b>	<b>24,268,264.35</b>

**STATEMENT OF INCOME & EXPENSES**

For the fiscal year ended June 30, 2019

**2019**  
**US\$**

**INCOMES (SOURCES OF FUNDS)**

Revenue	4,050,285.20
Cost of Goods Sold	63,000.71
<b>Gross Margin</b>	<b>3,987,284.49</b>

**EXPENSES (USES OF FUNDS)**

General & Administrative Expenses	1,598,751.77
Personnel Cost	1,743,859.76
Fuel Cost	242,619.63
Depreciation	319,565.45
<b>Total Expenses</b>	<b>3,904,796.61</b>

**NET INCOME (CASH SURPLUS)**

**82,487.88**





**CASH FLOW ANALYSIS**

As at June 30, 2019

**2019**

**US\$**

**NET SOURCES & USES OF FUNDS:**

Net Income 82,487.88

**NET EFFECT OF OPERATION TO CASHFLOWS:**

Depreciation 319,565.45

Receivables (818,842.89)

Payables 569,786.35

Capital Assets (252,770.81)

**TOTAL CASH OUTFLOWS (182,261.90)**

**DIFFERENCE OF INFLOWS TO OUTFLOWS (99,774.02)**

Cash and Bank Balances B/F 94,010.87

**NET CASH FLOW FOR THE PERIOD (5,763.15)**



*AUDITOR GENERAL'S REPORT On the  
Financial Statements Audit of the  
Liberia Telecommunications Corporation (LIBTELCO)  
For the Year Ended June 30, 2019*

**STATEMENT OF CAPITAL RESERVES**

As at June 30, 2019

**2019**

**US\$**

**EQUITY**

Opening Balances	9,623,034.54
Net Income	82,487.88
Retained Earnings	4,398,744.22
<b>Net Capital Reserves</b>	<b>14,104,266.64</b>