



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT



**On the audit of the  
Ministry of Transport (MoT) Financial  
Statements**

**for the Fiscal Year ended June 30, 2019**

**December 2022**

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

## Republic of Liberia



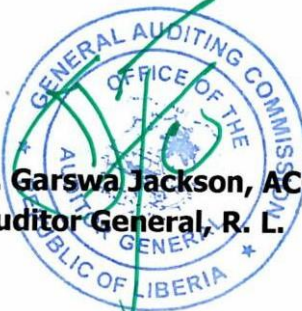
### TRANSMITTAL LETTER

#### **THE HONORABLE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE HONORABLE PRESIDENT PRO- TEMPORE OF THE HOUSE OF SENATE**

We have undertaken a financial statements Audit of the Ministry of Transport (MOT) for the fiscal year July 1, 2018 to June 30, 2019. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Finding conveyed in this report were formally communicated to the authorities of the Ministry of Transport (MoT) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

Given the significance of the matters raised in this report, we urge the Honorable Speaker and Members of the House of Representatives and the Honorable Pro- Tempore and Members of the Liberia Senate to consider the implementation of the recommendations conveyed in this report with urgency.

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

**Monrovia, Liberia**

December 2022

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## Acronyms

Acronyms/Abbreviation/Symbols	Meaning
ACCA	Association of Chartered Certified Accountants
AFP	Audit Focal Person
AG	Auditor General
CBL	Central Bank of Liberia
CFC	Combined Federal Campaign
CFIP	Certified Forensic Investigation Professionals
CSA	Civil Service Agency
DL	Driver's License
DMA	Deputy Minister for Administration
EV	Electronic Voucher
EWS	Early Warning System
FAR	Fixed Asset Register
FS	Financial Report
GEF	Global Environment Facility
GOL	Government of Liberia
GSA	General Service Agency
IAA	Internal Audit Agency
IBLL	International Bank Liberia Limited
LNP	Liberia National Police
LRA	Liberia Revenue Authority
LRD	Liberian Dollars
MFDP	Ministry of Finance and Development Planning
MOT	Ministry of Transport
MOU	Memorandum of Understanding
NASSCORP	National Social Security & Welfare Corporation
PFM	Public Financial Management Act
PPCC	Public Procurement and Concession Commission
QBP	Quarterly Budget Performance Report
UNDP	United Nation Development Program

## **RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE MINISTRY OF TRANSPORTS**

### **Adverse Opinion**

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 give a true and fair view of the financial position of the Ministry of Transport as at June 30, 2019 and of its statement of receipts and payments, Statement of Comparison of Budget and Actual Amount for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis.

### **Basis for Adverse Opinion**

A variance of US\$5,063,697.54 was observed between the revenue figure reported in the financial statements for Motor Vehicle Registration and the revenue figure recorded in the Motor Vehicle Registration Report.

A variance of US\$326,223.53 was observed between the revenue figure reported for driver licenses in the financial statements and the revenue figure recorded on the bank statements for driver licenses.

A variance of US\$38,868.14 was observed between the revenue figure for Eligibility Certificates reported in the financial statements and the revenue figure recorded in the Eligibility Certificates Report.

A variance of US\$34,616.35 was observed between the actual expenditure reported for goods and services in the Statement of Comparison of Budget and Actual Amount and the figures reported in the Statement of Receipts and Payments for goods and services.

We did not receive bank statements for the following revenue sources despite numeral communications and follow-up from the Office of the Auditor General to Management and the respective banking institutions:

- ✓ Motor Vehicle Plate Registration
- ✓ Insurance stickers and Certificate
- ✓ Eligibility certificate

Also, the revenue collection reports submitted for our verification, did not reconciled with total revenue reported in the financial statements. As the result of these discrepancy, we could not establish assurance over the completeness, existence and accuracy of revenue reported.

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 MOT Management in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

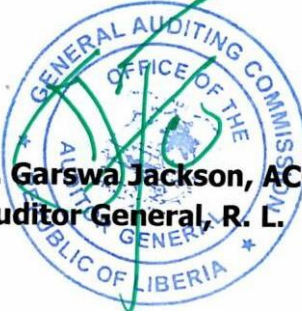
### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to cease operations, or has no realistic alternative but to do so.

The Management of the Ministry of Transport is responsible for overseeing the Ministry's financial reporting process.

### **Auditor's Responsibility**

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 ISSAIs 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, ACCA, CFIP, CFC  
Auditor General, R. L.**

**Monrovia, Liberia**

December 2022

## **STATEMENT OF RESPONSIBILITIES**

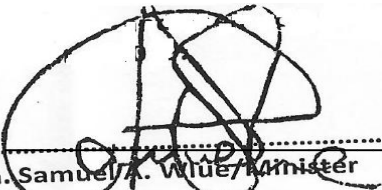
The Financial Statements have been prepared in accordance with the provision of the Public Financial Management Act of 2009 and in compliance with Cash Basis International Public Sector Accounting Standards (Cash IPSAS), adopted by the Government of Liberia.

In accordance with the provisions of the Public Financial Management (PFM) Act of 2009, the minister is responsible for the control of and accounting for public funds received, held expended for and on behalf of the Ministry of Transport.

Under the provision of the same Act, the minister is required to prepare unaudited Final Account of the Ministry of Transport to be submitted to the minister of Finance and Development Planning, two months after the end of the financial year 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 please the required Annual Public Account of the Ministry of Transport 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 herein.

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

I accept responsibility for the integrity of these Financial Statements, the Information they contained and their compliance with provision of the Public Financial Management (PFM) Act of 2009.

  
.....  
Hon. Samuel A. Wille / Minister  
MINISTER

September 15, 2019

\_\_\_\_\_  
Date

## **Introduction**

This report provides information on the budget performance of the Ministry of Transport for the fiscal year July 1, 2018 to June 30, 2019. During the Fiscal Year 2018/2019, the Ministry generated revenue from motor vehicle registration, issuance of drivers' licenses, and issuance of eligibility certificates to duly registered transport related businesses and received fees from insurance companies as charges for the sale of compulsory third-party motor vehicle liability insurance stickers. Other taxes withheld from internal transaction was deposited into GoL General Revenue Account at CBL. The report also presents the rates of performance of the Ministry's adjusted budget for F/Y 2018//2019.

The activities and programs undertaken by the Ministry during the reporting were in consonance with the mandate of the Ministry coupled with its vision of creating a vibrant transport section that is responsible to growth and socio-economic needs for a viable transportation system taking into consideration GoL Pro Poor agenda.

## **Statutory Mandate**

The Ministry of Transport was established by an Act of National Legislature in 1987. The Ministry has the mandate and function as stipulated under chapter 37 of the New Executive Law, to primarily ensure the development of all modes of transport in the country; develop, implement, and regulate standards for all modes of transport within the sector, and provide reliable up-to-date statistic on the transport sector.

**Core Function areas are:** policy, regulation, support service, coordination, supervision and performance monitoring of the transport section.

## **Structure of the Ministry**

The Ministry of Transport is headed by a minister appointed by the president. The Ministry has two departments each headed a deputy minister and assisted by an assistant minister. The head of the following bureau report directly to the Office of the Minister.

1. Internal Audit
2. Press & Public Affairs
3. Planning, Policy and Research
4. Legal Affairs

**Department of Administration & Insurance:** This department performs all administrative function of the Ministry and implements the compulsory third party Motor Vehicle Liability Insurance Scheme in Liberia. The Department comprises the division of personnel, finance, meteorology, Insurance, procurement, Security and Maintenance.

## **Revenue Performance:**

Exceeded adjusted projected revenue (6.2million) target for fiscal year 2018/2019 by US\$16% million (7.4 million).



## **Decentralization**

The Fiscal Year 2018/2019 witnessed a marked increase in decentralization of the Ministry operations. In spite of lack adequate logistics and manpower, the administration and employees of the Ministry were engaged in the process of operationalizing several service centers in four region of the country which include Kakata, Margibi County, Buchanan, Grand Bassa County, Gbanga, Bong County and Saniquellie, Nimba County.

## **Axle Load Control Act**

With the collaboration of national stockholders and international partners, the Ministry of Transport submitted through the office of the president an Axle Load Control Act to the Legislature to protect the government investment in road infrastructure with the primary concern on all newly constructed roads. The Act was passed by both houses and subsequently signed into law by the Chief Executive. This Act is tailored to enforce an ECOWAS agreement among member states to harmonize the weight of vehicles carry heavy loads across West Africa and to set limits on amount per axle as well as the weight and dimensions of the various categories of vehicles.

The Ministry has developed and completed the regulations detailing out modalities for the implementation of Axle Load Control Act to protect government investment I roads, the ministry had established a Technical Support Unit to provide Technical Support/Advise to MOT the issuance of regulation and policies and monitor compliance, hired (with the support of international partners) Consultancy services develop a national Axle Load Policy/Strategy.

- (1) Set up a system of weigh bridges on key road in Liberia to enforce the new controls,
- (2) Recruit a private sector firm to provide equipment and manage Axle Load operations countrywide,
- (3) Establish and operationalize the multi-stakeholder Working group on axle load control,
- (4) Build capacity of Government Agencies – including the recruitment of an axle load control expert to with implementation,
- (5) Strengthen the multi-stakeholder Working group to manage change process and
- (6) Under take study tour to other countries in the regions to understand their road safety management system to serve as a basis for managing consultancy services to replicate same in Liberia.

## **Service delivery**

The transport industry remained robust throughout the fiscal year 2018/2019. Based on its statutory mandate and functions, the Ministry above all, ensured during the reporting period that all modes of transport in the Country were incessantly regulated through appropriate policy, support services, coordination, supervision and performance monitoring and the provision of reliable up-to-date statistics on the sector.

The Compulsory Motor Vehicle Third Party Liability Scheme remains also under the coordination, supervision and performance monitoring of the Ministry to ensure that insurance companies comply with the Motor Vehicle Third Party Liability Scheme policy. The third-party liability (TPL) scheme was enacted to guarantee protection for roads accident victims of death, bodily injury and property damage of third party with fair and prompt compensation. To date, at least 50% of vehicle plying

streets of Liberia particularly Monrovia and its environs have a minimum of compulsory third-party liability insurance coverage.

### **Vehicle Registration**

There was an increase in the registration of vehicles providing transport services to the public. The number of vehicles registered during the reporting period is 35,457, motorcycles account for 3,864.

### **Transportation Related Business Registration**

During the reporting period, the number of eligible transport related businesses issued eligibility certificate was 597.

### **Drivers Licensing**

During the reporting period, the number of qualified drivers licensed issued was 56,972.

### **The Compulsory Third Party Motor Vehicle Liability Insurance Scheme**

Revenue generated through the receipt from various registered insurance companies the amount of US\$24,050 as GOL share of the Compulsory Third-Party Vehicle Liability Insurance stickers sale.

### **Meteorology**

#### **Climate information for Resilient Development/Early Warning System Project**

Liberia has limited capacity currently to monitor the weather and water resources to aid development planning and prevent climate related disasters from happening to man-power and infrastructure deficits in meteorology, hydrology and disaster management. The government of Liberia therefore lunched the Early Warning System (EWS) Project in January 2019 to remedy this situation through the project suffered some setbacks due in part to Ebola Virus Disease (EVD) and insufficient technical ability on the part of National Hydrology and meteorology Services to utilize equipment to be procured under the project. The ministry is still engaged in the process of ensuring that adequate training and technical support from an external source are obtained.

The regional support body for the EWS Project known as Climate Information for resilient Development in Africa (CIRDA) and the United Nations Development Program (UNDP) embarked on the recruitment of a firm to rebuild Liberia hydrological and climate services delivery in a long term agreement (LTA). That exercise concluded with the contracting of Earth Networks (EN), a United States based meteorological service provider with their own brand of technology that operates using lightening detection system (LDS) mounted on cell phone towers. EN is in partnership with Cellcom Liberia in the hosting of EWS weather monitoring equipment on Cellcom towers around the Country.

Following the contracting of Earth Networks (EN) to procure; install and train Staff of the Liberia Meteorological Service (LMS), The EN has been shipping equipment into the Country and about 125 persons had been trained to work at the LMS.

Currently, CRDA has also contracted the services of BRL to Inge'nerie, a French company for the provision of hydrological software solution for an integrated water resources management and

hydrological early warning system. This contract provides for the use of internet related software with ten (10) modules, hardware and technical services.

The renovation of the National Meteorological Center was carried out by MOABEL Inc. a Weala based Company executing work at RIA. Equipment have arrived and the Center is being equipped for use by the Hydro-MET Service of Liberia. Information generated from this service will inform the general public on weather phenomenal in Liberia.

Regional capacity building for agriculture and coastal adaptation to early warning information activity was conducted in three (3) regional workshops held in Barclayville, Tubmanburg and Ganta, Nimba County. The workshops brought together fifteen (15) Counties.

### **Major Procurement Contract**

After conducting a successful vetting proceeding of bidders, technical proposals on the automation of the registration of motor vehicle transport related businesses eligibility and the licensing of qualified drivers with five national and international companies participating, the Techno Brain Company won the bid and subsequently the ministry entered a contractual agreement with the company to automate, operate and transfer (BOT Contract) the registration of motor vehicles transport related businesses eligibility and the licensing of qualified drivers in Liberia.

### **Employees Capacity Building**

The development of human resource capacity corresponding to professional service delivery in all aspects of the Ministry of Transport is crucial to the development of the transport sector of Liberia. The Ministry remains committed and consistent in its drive to provide requisite training for enhancement of the capacity building of its 315 employees. In this direction, two staffers returned home after obtaining masters in specialized training in transport management in Tanzania. Additionally, two staffers of the Ministry underwent training in Comprehensive Transport planning in October 2016 in Japan under the sponsorship of Japan international Cooperation Agency (JICA).

## REPROT OF THE COMPTROLLER

### 1 Introduction

The report gives explanation and analysis on the cash receipts and payments and information on the budget performance of the Ministry of Transport for the fiscal year ended 30 June 2019 and of its financial position as at that date.

During the Fiscal Year 2018/2019, the Ministry generated revenues from motor vehicle registration, issuance of drivers' licenses, and issuance of eligibility certificate to duly registered transport related businesses and received fees from insurance companies as charges for the sale of compulsory third-party motor vehicle liability insurance sticker; and other tax revenue withheld from internal transactions. The also presents the rates of performance of the Ministry's adjusted budget for F/Y 2018/2019.

### The FY 2018/2019 Approved Budget (Annual Expenditure Budget)

The Ministry's operational budget as passed by the Legislature was originally US\$2,428,735 which was adjusted to US\$2,513,334.86 due to revenue performance by the Ministry during the reporting period.

### Summary

As shown in "Table 1" below, the figure explains the rate of performance of the Ministry's budget of F/Y2018/2019. The Ministry was allocated the revised budgetary allotment of \$2,438,783.98 or 100% of the revised appropriation ©. During the period July 2018 to June 2019, US\$2,438,783.98 was operational cost incurred, representing 99% of the allotment YTD (d); the balance of US\$15,760.89 representing 14% of the original budgetary appropriation.

**Table 1: FY 2018/2019 Budget Execution by Major Objective of Expenditure**

Code	Objective of Expenditure	FISCAL YEAR 2018/2019						
		Original Appro. (a)	MFDP Risk Management Decision (b)	Revised Appro. (c)	Allotment YTD (d)	YTD Actual (e)	Bal Allot. (f)	Bal. Rev. Appro.
11	Personnel Cost	1,723,514	-177,513.64	1,723,514	1,723,514	1,723,514	786	-
22	Goods & Services	705,221		789,820.86	715,269	695,907	14,974	-
23	Capital Expend							
<b>Budget Total</b>		<b>2,428,735</b>	<b>-177,513.64</b>	<b>2,513,334.86</b>	<b>2,438,783</b>	<b>2,419,421</b>	<b>15,760</b>	<b>-</b>
<b>Rate of performance</b>			<b>14% (of a)</b>	<b>86% (of a)</b>	<b>100% (c)</b>	<b>99%(d)</b>	<b>1%(d)</b>	<b>0% ©</b>

2 Authorized Appropriation/Allocation - - US\$2,513,334

#### Expenditure-Operational Fund:

a. Employee benefits - - - - US\$1,723,514

b. Goods and services - - - - 705,221

c. Purchase of Capital Items - - - - -


### Revenue Performance (July 1, 2018 to June 30, 2019)

For the fiscal year ended June 30, 2019, the Ministry of Transport generated a total of US\$7.4 million from revenue categories as shown in table 2 below:

Motor vehicle registration accounts for 95% of the total revenue generated, while driver licenses and transport related businesses eligibility certificates account for 4.3% and compulsory third-party liability insurance stickers also account for 0.56%. The Ministry exceeded the projected revenue for the period 2018/2019 by US\$1.2million.

**Summary Table 2: Categories of Revenue Generated**

Code	Revenue Category	2018/2019 US\$	QTY	Actual Revenue Generated (2018/2019) US\$	Percentage %	Variance US\$
114512	Motor vehicles Registration	5,465,292	40,493	6,073,972	95	608,770
114513	Driver Licenses	272,365	19,978	899,029	2.1	626,664
142297	Eligibility Certificate	170,049	1,555	155,554	2.2	(14,495)
142525	Insurance Stickers	277,416	5,800	215,600	0.56	(61,816)
142525	Other transport Related Fees/ charges	322	-	7,455	0.14	7.13
<b>Total</b>		<b>6,185,356</b>	<b>-</b>	<b>7,351,611</b>	<b>100</b>	<b>1,166,256</b>



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*Shelton Kraty Dowait, Sr*

**Comptroller**

September 15, 2019

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Date

Note: Withholding taxes deducted from internal vendor's transaction (taxes on payment to vendors/service providers) were deposited directly into GOL General Revenue Account at the CBL (LRD 100,387 OR USD 1,003.87).

### Cash Balances

Cash at the beginning of the period is the operational fund balances brought forward from the fiscal year 2018/2019 as cash in bank.

**7a:** Cash at the beginning of the quarter included only cash in bank accounts:

USD Account balance	145.56	OR	LD\$23,580.72
LD Account balance	<u>52.64</u>		<u>8,526.76</u>
<b>Total</b>	<b><u>198.20</u></b>		<b><u>LD\$ 32,107.48</u></b>

**7b:** Cash at the end of the fiscal year included only cash in bank accounts:

\*Cash Account balance as of June 30, 2019

USD Account balance:	USD 700.56	OR	LD\$ 113,490.72
LD Account balance	<u>13,460.31</u>		<u>2,180,569.55</u>
<b>Total</b>	<b><u>14,160.87</u></b>		<b><u>2,294,060.27</u></b>

Some of the suppliers/ vendors have sued and threatened lawsuits against the Ministry for failure to pay for goods and services provided.

### 1 Conclusion

The Financial Statement for the financial year ended 30<sup>th</sup> June 2019 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.



Shelton Kraty Dowaity, Sr

**Comptroller**

September 15, 2019

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Date

**MINISTRY OF TRANSPORT FINANCIAL STATEMENTS**  
**Statement of Receipts and Payments**  
**For the Fiscal Year Ended June 30, 2019**

Account descriptions	Notes	2018/2019			2017/2018		
		Receipts/Payments Controlled by Entity June 30, 2019	Receipts /Payments made by other Government Entities June 30, 2019	Payment made by External Parties June 30, 2019	Receipts/Payment <sup>s</sup> Controlled by Entity June 30, 2018	Receipts /Payments made by other Government Entities June 30, 2018	Payment made by External Parties June 30, 2018
		US\$	US\$	US\$	US\$	US\$	US\$
<b>Receipts:</b>							
Authorized Allocation/Appropriation	4	279,665.17	2,139,755.90		88,935.54	1,697,973.91	-
<b>Total Receipts</b>		<b>279,665.17</b>	<b>2,139,755.90</b>		<b>88,935.54</b>	<b>1,697,973.91</b>	
<b>Payments:</b>							
Wages, salaries and Employees Benefits	7	130,275.43	1,592,451.89		30,559.21	1,503,577.74	-
Supplies and Consumable & Rent	8	114,773.39	547,304.01		58,376.33	196,396.17	-
<b>Capital Expenditures</b>	10				-	-	
Property, plant and equipment		20,455.48	-		-	-	-
<b>Total Payments</b>		<b>265,839.13</b>	<b>2,139,755.90</b>		<b>88,935.54</b>	<b>1,697,973.91</b>	
<b>Increase/ (Decrease in Cash)</b>		<b>14,160.87</b>	-		-	-	-
Cash at the beginning of the year		-	-		-	-	-
<b>Cash at the end of the year</b>		<b>14,160.87</b>	-		-	-	

The notes found on page 16-20 are integral part of these financial statements



**Statement of Comparison of Budget and Actual Amounts  
For the Fiscal Year Ended June 30, 2019**

Account Description	For the fiscal year ended June 30, 2019					2017/2018
	Actual Amounts	Final Budget	Original Budget	Difference: Final Budget And Actual Amount	Percentage Variance	Actual Amount
Cash Inflows	US\$	US\$	US\$	US\$	(%)	US\$
Authorized Allocation/Appropriation	2,419,421.07	2,513,334.86	2,428,735.00	(93,913.79)	(0.04)	1,786,909.45
<b>Total Receipts</b>	<b>2,419,421.07</b>	<b>2,513,334.86</b>	<b>2,428,735.00</b>	<b>93,913.79</b>		<b>1,786,909.45</b>
<b>Cash Outflows</b>						
Wages, Salaries and other Employees Benefit	1,722,727.32	1,723,514.00	1,723,514.00	(786.68)	(0.04)	1,534,136.95
Goods and Services	696,693.75	789,820.86	705,221.00	(93,127.11)	(0.04)	252,772.50
Property, plant and equipment	-	-	-	-	-	-
<b>Total Payments</b>	<b>2,419,421.07</b>	<b>2,513,334.86</b>	<b>2,428,735.00</b>	<b>(93,913.79)</b>	<b>(0.16)</b>	<b>1,786,909.45</b>
<b>Net Cash Flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

The notes found on page 16-20 are integral part of these financial statements

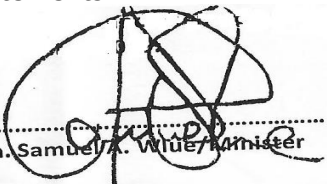




**STATEMENT OF CASH POSITION (ALL PUBLIC FUNDS)**  
**Report and Financial Statement for the Financial Year ended 30<sup>th</sup> June 2019**

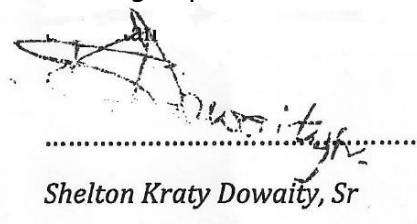
	Note		As at 30 June 2019 US\$	As at 30 June 2018 US\$	Change in Cash Balances US\$
<b>Cash/Bank Account Details</b>		<b>Currency Held In</b>			
GENERAL FUND					
Bank Accounts					
CBL (Operational Fund)		LRD	700.56	145.56	555.00
CBL (Operational Fund)		USD	13,460.31	52.64	13,407.67
CBL (Special Operational Fund)		LRD			
CBL (Specialized Certificates & supplies)		USD			
CBL (Specialized Certificates & supplies)		LRD			
CBL (Special Presidential Task Force)		USD			-
<b>Total cash in account</b>			<b>14,160.87</b>	<b>198.20</b>	<b>13,407.67</b>
<b>Total held in Bank Accounts:</b>			<b>14,160.87</b>	<b>198.20</b>	<b>13,407.67</b>

The Accounting Policies and Notes set out on page 16 to 20 form an integral part of the Financial Statements.

  
.....  
Hon. Samuel A. White, Minister

September 15, 2019

\_\_\_\_\_  
Date

  
.....  
Shelton Kraty Dowaity, Sr  
**Comptroller**

September 15, 2019

\_\_\_\_\_  
Date

The notes found on page 16-20 are integral part of these financial statements

## **NOTES OF EXPLANATION AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS**

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

### **1 General Information-Reporting Entity**

The financial statements are for Ministry of Transport, a public sector entity of the Government of Liberia. The financial statement encompasses the reporting entity as specified in the relevant legislature (Public Financial Management Act, 2009). Ministry of Transport principal activity is to formulate policies and enforce regulations of all transport related activities so as to ensure the provision of effective and efficient transport services and infrastructure that enhances the quality of life of Liberia.

The Financial Statements presented above reflect the cash Receipts and payments of the Ministry of Transport for the financial year ended 30<sup>th</sup> June 2019 on the basis of moneys received by, held in or paid out by the Ministry of Transport during the year under review. The Entity control its own operation petty cash funds accounts. Funds and other cash receipts are deposited into its bank accounts, from which cash expenditures are administered upon presentation of appropriate documentations and authorization.

#### **The principal addressed of the reporting entity is:**

The Ministry of Transport, Warren & Carey Streets,  
Monrovia, Liberia

### **2 Accounting Policies**

These are the specific principles, bases, conventions, rules and practices adopted by the Government 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 Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS): Financial Reporting under the Cash Basis of Accounting. The measurement basis applied is 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 of America Dollar (US\$) both of which are legal tenders. The financial Regulations to the PFM Act of 2009 states that: "the monetary unit in 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 Liberia Dollar and other foreign currencies are translated into United States Dollar using the exchange rates prevailing at the date of the transactions. Closing monetary balances are translated into the reporting currency using the closing rates. Foreign exchange gains and losses resulting from the settle of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

The year-end (30th June 2019) exchange rate for the Liberian Dollar was LRD162 per US\$1.00

**C) Reporting Period**

The reporting period for these financial statements is the financial year of Government, which is runs from 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019.

**(d) Payments by Third Parties**

Ministry of Transport did benefit from goods and services purchased on its behalf as a result of donations made by third parties during the period.

**(e) Receipts**

Receipts represent cash received by the Ministry of Transport during the financial year, comprising Authorization Allocations/appropriations. Receipts are recognized as follows:

**Authorization Allocations/Appropriations**

Authorized Allocation are recognized when they are received and the control of the Ministry of Transport.

**f) Expenses**

In general, all expenses are recognized in the statement Receipts and Payments when paid for.

**g) Property, Plant and Equipment (Physical assets or Fixed assets)**

Property, plant and equipment principally comprises of land, buildings, plant, vehicles, equipment, and other capital assets controlled by the Ministry of Transport.

Under the Government's cash basis of accounting, purchases of property, plant and equipment are expense fully in the year of purchase. However, a memorandum record is maintained in the Fixed Assets Register at historical cost for all non-current assets of the Ministry of Transport. Unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements.

Proceeds from disposal of property, plant and equipment are recognized as other receipt in the period in which it is received.

#### (h) Inventory

Consumables supplies are expensed in the period in which they are paid for.

#### (i) Employee benefits

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

#### (j) Contingencies

Contingency Liability are recorded in the statement of contingency liability (on memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognized only when the contingent event occurs and payment is made. Contingency assets are neither recognized but disclosed where probable 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 Sept 15, 2019 by Hon. Samuel A. Wlue, Minister of Transport.

### 4. Authorized Allocations/Appropriation

The total amount of Authorized Allocations received for FY2018/2019 US\$2,513,334.86 (US\$2,419,421-FY 18/19) represents 87% of the original appropriation (US\$2,428,735).

#### 4. The comparative analysis of estimated and actual receipts for the financial year 2018/2019 is presented below:

--			June 30, 2019			June 30, 2018
Description	Actual	Final Budget	Original Budget	Difference: Final Budget And Actual Amount	Percen tage (%) Varian ce	Actual
Wages, salary &employees benefits	2018/2019 US\$	2018/2019 US\$	2018/2019 US\$	2018/2019 US\$	2018/ 2019 US\$	2017/2018 US\$
Employee Compensation	1,722,727.32	1,723,514	1,723,514	(786.68)	-	1,492,032.37
Goods & Services	696,693.75	789,820.86	705,221	(93,127.11)	(0.12)	276,194.03
Capital Expenditure	-	-	-	-	-	-
<b>Total</b>	<b>2,419,421.07</b>	<b>2,513,334.86</b>	<b>2,428,735</b>	<b>(93,913.79)</b>	<b>(0.12)</b>	<b>1,768,226.40</b>

## 5. Payments: Operations (Wages, Salaries and other Employees Benefits)

The total amount of cash payment made against compensation of employees during the fiscal year 2017/2018 is classified in the same form as the National Budget.

The comparative analysis of estimated and actual payments made for the fiscal year 2018/2019 is presented below by Economic Classification:

### 7: Comparative Analysis of Estimate and Actual Payments Made During the Financial Year Ended June 30, 2019

Employees Compensation			June 30, 2019			June 30, 2018
Description	Actual	Final Budget	Original Budget	Difference: Final Budget And Actual Amount	Percentage (%) Variance	Actual
Wages, salary & employees benefits	2018/2019 US\$	2018/2019 US\$	2018/2019 US\$	2018/2019 US\$	2018/2019 US\$	2017/2018 US\$
Wages & Salaries	1,722,727.32	1,723,514	1,723,514	(786.68)	-	1,492,032.37
<b>Total</b>	<b>1,722,727.32</b>	<b>1,723,514</b>	<b>1,723,514</b>	<b>(786.68)</b>	<b>-</b>	<b>1,492,032.37</b>

## 6. Payments- Operation (Supplies and Consumables)

The total amount of cash payments made against goods and services during fiscal year 2018/ 2019 of US\$696,693.75 (US\$276,194.03 – Fiscal 2017/2018) are classified in the same form as the National Budget. The comparative analysis of estimated and actual payments made for the financial year 2018/2019 is presented below by Economic Classifications:

## 8. Comparative analysis of estimated and actual payments made during the financial year ended June 30, 2019

Description	2018/2019					2017/2018
	Actual	Final Budget	Original Budget	Difference: Final Budget And Actual Amount	Percentage (%) Variance	Actual
Goods & Services	US\$	US\$	US\$	US\$	US\$	US\$
Travel Expenses	53,850.32	72,418.40	61,901.00	(67,599.68)	(0.94)	4,884.00
Utilities	-	-	-	-	-	2,309.33
Rent	-	-	-	-	-	-
Fuel and Lubricants	106,409.35	121,450.00	126,610.00	(15,040.65)	(0.13)	36,125.88
Repairs and Maintenance	64,205.06	65,378.20	77,325.00	(1,173.14)	(0.02)	-
Office Materials	77,947.59	203,725.00	176,591.00	(125,777.41)	(0.62)	50,548.18
Consultancy Services	96,008.00	96,200.00	96,200.00	(192.00)	(0.01)	96,181,.04
Other General Expenses	-	-	-	-	-	-
<b>Grand Total</b>	<b>398,420.32</b>	<b>559,171.60</b>	<b>533,627.00</b>	<b>(209,782.88)</b>	<b>(1.72)</b>	<b>190,048.43</b>