



Promoting Accountability of Public Resources

AUDITOR GENERAL'S ANNUAL REPORT



FOR THE YEAR ENDED
DECEMBER 31, 2019

PERFORMANCE REPORT

Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.



Promoting Accountability of Public Resources

Office of the Auditor General of the Republic of Liberia

The Honorable Speaker
Members of the Legislature

Dear Hon. Speaker,

In accordance with Part II Section 2.1.9 of the General Auditing Commission (GAC) Act of 2014, I hereby submit to you the Annual Report of the Office of the Auditor General (AG) for the calendar year ended 31st December 2019.

This report explains our operational performances and I hope you will find it important in that it presents the details of our key operational performance indicators as well as services we delivered during the year.

Sincerely,


Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.



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ACRONYMS AND ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
AfDB	African Development Bank
AFROSAI	African Organization of Supreme Audit Institutions
AFROSAI-E	African Organization of English-speaking Supreme Audit Institutions
AG	Auditor General
AROBOSAI	Arab Organization of Supreme Audit Institutions
BOA	Bureau of Audit
CAM	Compliance Audit Manual
CAT	Certified Accounting Technician
CBC	Capacity Building Committee
CBS	Capacity Building Strategy
CIA	Certified Internal Auditor
CIMA	Chartered Institute of Management Accountants
CSO	Civil Society Organizations
DAG	Deputy Auditor General
EDF	European Development Fund
ERM	Employees Record Management
EU	European Union
FA	Financing Agreement
FAM	Financial Audit Manual
GAC	General Auditing Commission
GAS	Ghana Audit Service
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GOL	Government of Liberia
HR	Human Resources
IAS	International Accounting Standards
ICBF	Institutional Capacity Building Framework
IDI	INTOSAI Development Initiative
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
INCOSAI	International Congress of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
IPFMRP	Integrated Public Financial Management Reform Project
ISSAI	International Standards of Supreme Audit Institutions
LICPA	Liberian Institute of Certified Public Accountants
LTTA	Long Term Technical Assistance
MFDP	Ministry of Finance and Development Planning
MIC	Management Internal Control



NIF	National Integrity Forum
OAG	Office of the Auditor General
OAGK	Office of the Auditor General, Kenya
PABX	Private Automatic Branch Exchange
PAC	Public Accounts, Expenditures and Audit Committee
PE	Programme Estimate
PFM	Public Financial Management
PFMRISP	Public Financial Management Reform for Institutional Support Project
PHR	Professional in Human Resources
PMP	Project Management Professional
PMS	Performance Management System
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
QA	Quality Assurance
ROI	Return on Investment
SDG	Sustainable Development Goals
SES	Stakeholders Engagement Strategy
SIDA	Swedish International Development Agency
SNAO	Swedish National Audit Office
SP	Strategic Plan
SPHR	Senior Professional in Human Resources
STE	Short Term Expert
TNA	Training Needs Assessment
TOT	Trainer of Trainers
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
USAID	United States Agency for International Development





Promoting Accountability of Public Resources

General Auditing Commission

Vision, Mission and Core Values

Our Vision

To be a professional Supreme Audit Institution (SAI) that promotes trust, accountability, transparency and value for money in the management of public resources.

Our Mission

The GAC is the independent constitutional external public sector auditor of Liberia which supports Legislative oversight over the management of public resources. We serve the people of Liberia by conducting quality and timely financial, compliance and performance audits.

Our Core Values

Integrity, Transparency, Independence, Professionalism, Diversity

Strategic Goals

- SG 1: Greater impact of GAC's audit recommendations
- SG 2: Increased trust in the GAC as a credible organization
- SG 3: High Performing GAC



ACKNOWLEDGEMENT

On behalf of the Management Team of the General Auditing Commission (GAC), I am pleased to extend my complements and heartfelt thanks to His Excellency George Manneh Weah, President of the Republic of Liberia, for his support to the Commission during the year 2019.

Our stakeholders, especially the media, civil society organizations and others hugely supported us during the period under review. They provided the appropriate channels through which we were able to interact with the Liberian citizenry, our most esteemed stakeholders. Their support created an enabling environment for us to carry out our constitutional mandate as outlined in the GAC Act of 2014. We remain grateful and pledge to remain steadfast in our responsibility to execute our Mandate, thereby making a difference in the lives of citizens.

I also wish to extend my thanks and appreciation to the Honorable Speaker and Members of the Legislature and the Joint Chairman on Public Accounts, Expenditure and Audit Committee (PAC) of the Legislature for their continuous support to the GAC. The PAC's deliberations on the various audit reports that were tabled before the House have served as an impetus which drives our desire to work even harder.

The GAC would not have achieved its goals, to a larger extent, without the cooperation of its auditees. The development/enhancement of their professional working relationship with the GAC, highlighted by their desire to work with us, was a significant factor in driving our output in the midst of scarcity of resources. In this regard, the GAC Management is grateful for their compliance and support during the audit period, and look forward to building on this experience in the years to come.

We are forever thankful to our donors and development partners for their support – financial, provision of capacity building opportunities and in other forms – as we strive to promote good governance in the Liberian public sector. The European Union (EU) 11th European Development Fund (EDF) Project, which finances the implementation of the GAC's three-year Capacity Building Strategy (CBS), the Commission's Stakeholders' Engagement Strategy (SES), various infrastructural support and other institutional interventions through the Long Term Technical Assistance (LTTA), has been of immense benefit since its inception in 2017. Also, the Multi-donor Pooled Fund supported by the World Bank, EU, African Development Bank (AfDB), and other partners which is administered through the Public Financial Management Reform for Institutional Support Project (PFMRISP) continued to provide invaluable support to the Commission.

The International Organization of Supreme Audit Institutions (INTOSAI) and its regional extension the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) played a significant role in supporting our operations during the year. The organization contributed to the enhancement of personnel and institutional capacity at the GAC and at the same time ensured that the Commission remained up-to-date with relevant developments in financial management and auditing at a global level. The Commission also continues to collaborate with the INTOSAI Development Initiative (IDI), the Swedish National Audit Office (SNAO), the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), the United States Agency for International



Development (USAID) and other donors and development partners whose support to the Commission is of immense importance.

I would be remiss if I fail to recognize my two hardworking Deputies, Hon. Winsley S. Nanka, CPA, and Hon. Foday G. Kiazolu, FCCA, who meticulously worked alongside me as the Commission carried out audits of various institutions of government during year ended. I also wish to appreciate the efforts of Mr. John L. Greaves II, CMA, for his supervision of the GAC Administrative Department and management of the 11th EDF and other project supports to the GAC. This, to a greater extent, helps to ensure fiscal rectitude in the public sector.

Finally, my sincere gratitude goes to the entire GAC workforce who worked tirelessly with Management to ensure the plausible attainment of the Commission's goals for the year 2019.



FOREWORD BY THE AUDITOR GENERAL (AG)

In 2019, the GAC continued to fulfill its statutory mandate through the implementation of key activities with the Strategic Plan (SP) 2016-2020 being utilized as guidance. The need to be more resolute in achieving the remaining deliverables in the Plan is derived from the fact that the Plan edges towards the consummation of its span. Hence, there is a need for a rigorous review and evaluation of its implementation to assess progress in attaining the GAC Strategic Goals and Objectives over the implementation period, as well as to inform the next strategic planning cycle.

Audit is fundamental for promoting accountability and transparency in public financial management and is considered a pillar for best practice and good governance. Hence, in pursuit of our mandate as stipulated by the GAC Act of 2014, the GAC scheduled a number of audits for the calendar year ended December 2019. This report comprises audit issues emanating from our audits. I cannot guarantee that all errors or irregularities were identified, as our scope was limited to the sample selected for review. The audits, nevertheless, were conducted in such a manner that one could reasonably identify instances of breaches and irregularities. All audit findings were communicated to the respective ministries, agencies and commissions (MACs), all of which were provided with the opportunity for response and redress. The findings suggest that there have been improvements in some agencies as it relates to the systems of control being implemented in these institutions. However, there is still room for greater improvement.

The GAC's desire for developing its staff competence through various capacity-building initiatives, which include professional development programs, continues to gain momentum and viability as the Commission sources technical and financial support through the EU 11th EDF Support to finance these and other related programs. As part of this initiative, some GAC's staff have been absorbed into the professional certification programs alongside other trainings designed and delivered by Liberia Institute of Public Administration (LIPA).

Despite the swinging budgetary allotments, the 54th National Legislature, through the PAC, has been providing its usual constitutional oversight support to the GAC. The GAC took into consideration the current economic stringency and reasonably worked with the limited budget allocation to ensure that the quality of its work was not affected by the limited resources, even though the audit coverage was severely affected. It is my hope that in the coming years, as the economy grows, resource allocation to the Commission will improve. This will enable the Commission adequately fulfill its Mandate through increased audit coverage.

As the constitutional external auditor of Government, I provide the Legislature with timely and objective information on the use of public resources, and I hope to continuously strengthen the GAC's relationship with the PAC. In 2019, forty-four (44) audit reports were completed and submitted to the Speaker of the House of Representatives, the President and development partners. These audit reports highlighted the importance of financial discipline and rectitude in the management of public resources. To further enhance the level of cooperation, the GAC, with support from the EU, organized and hosted a Consultative Meeting with the Legislature which focused on the importance of



conducting public hearings of audit reports and the need to execute audit recommendations.

It has been and will continue to be, especially during my tenure of service, a pleasure and opportunity to serve the Liberian citizenry by promoting accountability and transparency in the use of public resources.

Sincerely,


Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.



1 CHAPTER 1: ABOUT THE GAC

1.1 BACKGROUND

The GAC is an independent and autonomous public commission created under Article 89 of the 1986 Constitution of Liberia. It is the external public sector auditor and SAI of the Republic of Liberia. Consistent with the aforementioned constitutional provision, the functions and operations of the GAC are detailed in the Audit (GAC) Act of 2014 which repealed all existing legislations by its enactment. The Act strengthens the Legislative oversight of the Government regarding the management of public resources. The Commission carries out independent audits and reports its audit results to the Legislature, with copies to the President. The GAC is headed by the Auditor General who audits public accounts in order to support the Legislature in holding the Executive accountable for the use of public resources.



Headquarters of the General Auditing Commission – Ashmun Street, Monrovia, Liberia

1.2 GAC Mandate – Duties of the Auditor General (2014 Act)

The Mandate of the GAC is outlined in Part 2, Section 2.1.3 of the Audit Act of 2014. The Act stipulates that:

- (a) The Auditor General shall be the auditor of the public accounts and public funds of the Republic of Liberia. Subject to sub-section (b) below, the Auditor General shall carry out such audits and inquires as he/she considers necessary of public entities and funds owned or controlled by the Government to enable reporting, as required by the Act.
- (b) Notwithstanding, the generality of sub-section (a) of this section:
 - i. The Auditor General shall carry out the annual audit of the Government's



- annual Consolidated Financial Statements; and
- ii. The scope of the audits by the Auditor General for the Judicial Branch of Government shall exclude matters relating to courts decisions and for the Legislative Branch of Government shall exclude matters relating to merits of legislation.
- (c) The Auditor General shall have the right to determine which audits are to be carried out, to select the type of audits to be carried out, when to carry them out and report the findings.
- (d) In the performance of his/her operational duties as enshrined in sub-section (c) above, the Auditor General shall not be subject to the direction or control of any person or authority.
- (e) The Auditor General and the staff of the General Auditing Commission shall carry out audits, but shall not be involved, or seen to be involved, in any manner, in management's responsibilities of the organizations being audited.

1.3 The Organizational Structure of the GAC

The AG is the head of the GAC and, as stipulated in the GAC Act of 2014 and Public Finance Management Act of 2009, functions as the auditor of the public accounts and public funds of the Republic of Liberia.

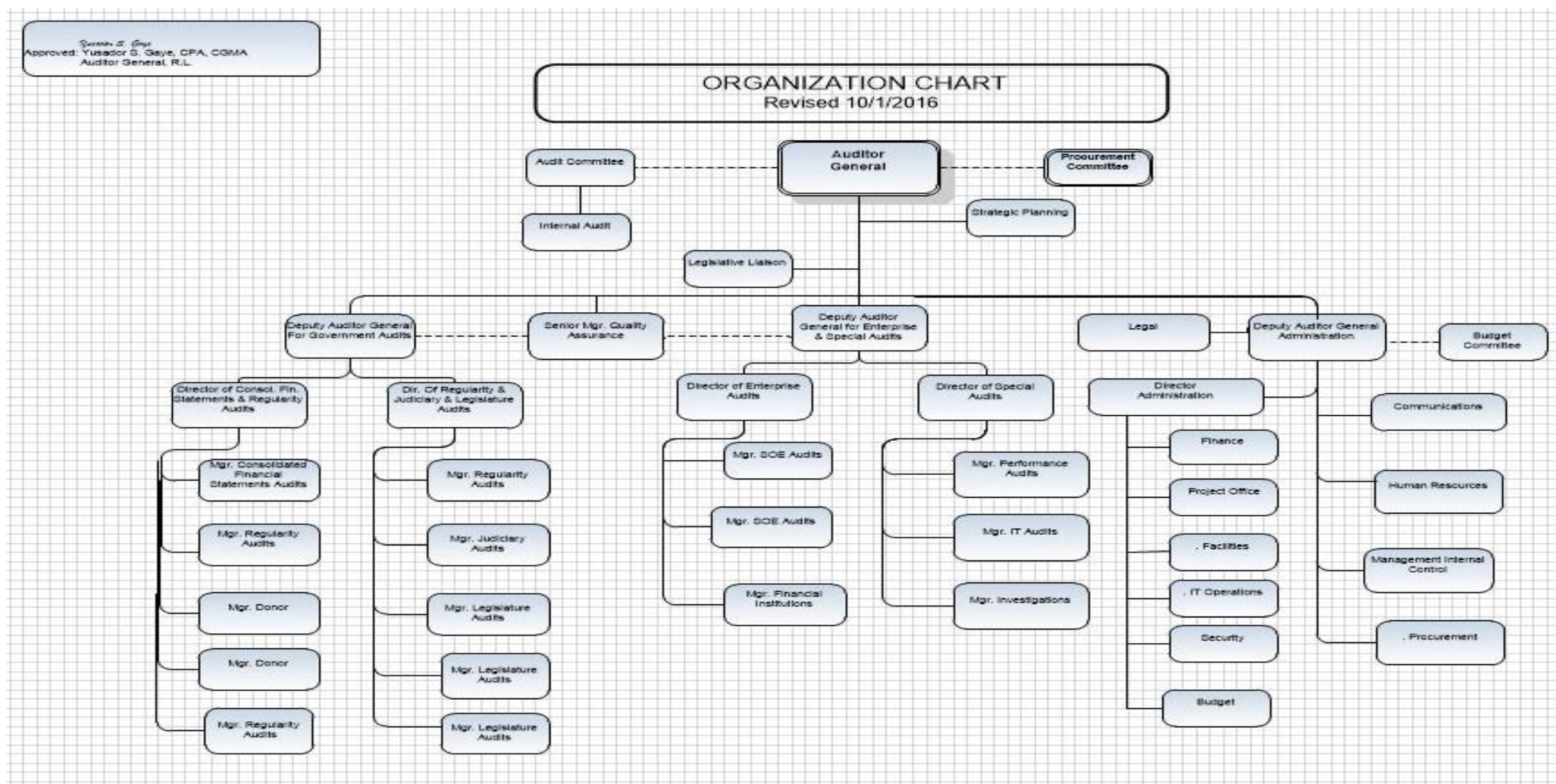
Per the GAC Organogram which is drawn from the Act, the AG is supported by at least three (3) Deputy Auditors General who supervise both the Audit and Administrative functions of the Commission. The Deputy Auditor General for Government Audits is responsible to supervise two (2) audit directories, while the Deputy Auditor General for Enterprise and Special Audits is also responsible for another two (2) audit directories. The directors supervise managers who are of various ranks/grades.

Deputy Auditor General for Administration is responsible for the Administrative Department which comprises eleven (11) support/corporate units.

The approved GAC Organizational Structure is illustrated below.



ORGANOGRAM



2 CHAPTER 2: PROGRESS ON THE IMPLEMENTATION OF THE STRATEGIC PLAN AND OTHER SUPPLEMENTAL HIGH-LEVEL DOCUMENTS

2.1 Overview of Implementation of the Strategic Plan 2016-2020

The GAC's Vision as detailed in its Strategic Plan (SP) focusses on enhancing its competence as a professional SAI which strives to promote accountability, transparency and value for money in the utilization of Liberia's public resources. From this Vision, the Commission's Mission, as the constitutional external auditor of Liberia, is to support the Legislature's oversight over the management of public resources.

The GAC strives to promote accountability and transparency in the management of public resources by conducting a number of audits each year. By carefully planning its work, and through regular compliance monitoring, Management ensures the optimal use of both human and financial resources, while ensuring that its programs and services delivered are relevant, efficient, effective and economical.

To implement activities foreseen in the SP during the year under review, the Commission developed an Annual Operational Plan (AOP) for 2019. For the purpose of meeting its audit target, a risk-based approach was used to categorize audit engagements as high, medium and low risk. The Commission's audit portfolio can also be characterized as large, medium and small audit engagements with reference to the size of the audit and the amount of projected resources to complete a respective audit.

For the GAC overall strategy, the GAC uses its three strategic goals to guide its operations in carrying out its mandate. The three goals include the following:

No.	Strategic Goals
SG 1	Greater Impact of GAC's Audit Recommendations
SG 2	Increased Trust in the GAC as a Credible Organization
SG 3	High Performing GAC

SG 1: Greater Impact of GAC's Audit Recommendations:

This goal seeks to highlight the form and manner in which the GAC carries out its statutory responsibilities thereby leading to greater improvement in transparency and overall governance in the public sector. Such exercise requires carefully planned work to satisfy the needs of the Legislature as it addresses cardinal issues facing the Government. Focus is also placed on implementation of the International Standards of Supreme Audit Institution (ISSAIs) and active engagement with the stakeholders to ensure high quality audit output, and a seamless audit execution process which culminates with implementation of the audit recommendations.

The GAC's Management, in an effort to meet its targeted goals with the meager resources at its disposal, utilized its annual matrix as a basis to select, plan and execute a number



of key audits during the year under review. The process focused on increasing the Commission's audit coverage by targeting and including other entities that were previously not audited. Reports on audits conducted have already been submitted to the Legislature.

SG 2: Increased Trust in the GAC as a Credible Organization:

Much effort was made to strictly adhere to international best practices, which include serving as a model institution which continuously improves its financial management system and enforces the implementation of its Code of Conduct. Our financial affairs and the overall governance processes were conducted in an orderly and credible manner in consonance with the PFM and PPCC laws and other relevant legal frameworks.

The GAC, consistent with the aforementioned has ensured that it is periodically audited by independent external auditors appointed by the PAC of the Legislature in tandem with periodic peer review by AFROSAI-E.

SG 3: High Performing GAC:

Reaching this level requires optimizing the use of the often-meager resources to constantly meet performance targets in the form of high-quality audits reports. Stated another way, this requires the GAC demonstrating more efficiency, effectiveness and economy when it comes to carrying out its Mandate in view of the available resources.

2.2 Annual Performance Analysis on Strategic Goals

The projects and other activities undertaken during the year were implemented from the Annual Operational Plan (AOP) which is linked to the overall Strategic Plan. The AOP detailed the number of audits that were planned to be carried out and the resources required for execution; it also provided an overview of other interventions that would be implemented in an effort to achieve each of the top-level goals mentioned of the Strategic Plan (SP).

Below is a summary of gains made during the year 2019 in implementing the three goals highlighted in the Plan. The details can be sourced in the respective documents which seek to report the achievement made in implementing the SP.

Table A: Gains on Achievement of GAC Strategic Goals

Strategic Goal	Accomplishments
<p>SG 1: Greater Impact of GAC's Audit Recommendations</p>	<p>✓ During this period, the GAC focused on increasing the scope of its audit coverage. The GAC conducted discussions with the AfDB in 2019 in view of possibly auditing the Bank's projects in Liberia. This was in addition to the audits of the United States Agency for International Development (USAID), the International Fund for Agricultural Development (IFAD) and the World Bank projects that the Commission carries out annually. In addition, the Global Fund is exploring the possibility to have its projects in Liberia</p>



Strategic Goal	Accomplishments
	<p>subsequently audited by the GAC as is the case with some countries within the sub-region.</p> <p>The major/large SOEs were again audited so as to keep them up to date, while progress was made to secure resources through alternative means to finance the audit of some the largest institutions of central government that have their operations in all or most of the counties, but have not been audited in recent years.</p> <ul style="list-style-type: none"> ✓ With reference to the requirements of INTOSAI P-12, emphasis was placed on producing reports in more user-friendly language and format, but with robust recommendations, as this is cardinal in making a difference in public governance. The GAC leveraged on the EU 11th EDF support and communication staff were trained on how to ensure audit reports were effectively communicated through the use of simple language and pictorial presentations. ✓ With more focus on all types of audits being in compliance with the ISSAIs, the recently updated AFROSAI-E audit manuals were customized to meet the Liberian environment and subsequently adopted and implemented. Further, through the EU 11th EDF support, managers were trained in the new financial and compliance audit methodologies including providing mentoring and coaching sessions on the job. This was aimed at improving the quality of audit reports so that the resulting improvement in the Liberian public financial management system can lead to improvement in the lives of citizens. ✓ Engagement workshops and follow-up were held with clients, the Media, civil society organizations (CSOs), integrity organizations, educational institutions and other relevant stakeholders. This was aimed at increasing the knowledge of the role and Mandate of the GAC and enhancing collaboration amongst stakeholders which the GAC envisages will ultimately contribute to improvement in public sector financial management. <p>In addition, through the EU 11th EDF support, the GAC developed a Clients' Relations Management Strategy which aims at enhancing the relationship between the GAC and its clients. Further, training on client relationship management was provided to the GAC managers while top management was also trained on how to relate with the media.</p> <p>These activities were part of implementing the GAC Stakeholder Engagement Strategy which was drawn from the Commission's current Strategic Plan.</p> <ul style="list-style-type: none"> ✓ During the year under review, the GAC Management leveraged on support from IDI and the LTTA hired under the EU 11th EDF Service Contract to develop a framework for following up on audit recommendations. The system will be finalized in 2020 and implementation will commence shortly after.
<p>SG 2: Increased trust in the GAC</p>	<ul style="list-style-type: none"> ✓ In view of the GAC Management's resolve to lead by example, the GAC was audited by the OAG, Kenya for the two fiscal years ended in June 2018. The Commission was also peer-reviewed by a team which comprised experts from



Strategic Goal	Accomplishments
<p>as a credible organization</p>	<p>SAIs within the AFROSAI-E region and the SNAO. This will continue to enhance the GAC's standing as auditees and other stakeholders become more inclined to collaborate with the Commission as it strives achieve its Mandate by improving its audit service delivery in the public sector.</p> <ul style="list-style-type: none"> ✓ Adherence to the Code of Ethics was emphasized and auditors were required to sign the Code at the beginning of the year under review and before each engagement/. If the GAC will deliver value to its many esteemed stakeholders, its personnel must comply with ISSAI 130 (Code of Ethics) which details the ethical requirements for personnel that work within SAIs. ✓ The GAC focused on sharing knowledge with internal and external stakeholders. Several trainings were conducted for personnel by colleagues who possess the requisite expertise, or by experts external to the SAI. Specialized trainings were carried out to cover Financial, Compliance, Performance and IT audits, while Administrative staff also benefited from trainings in and out of Country. <p>The GAC staff continued their journeys to be professionally certified, making significant progress in their areas of studies. It is envisaged that this initiative will ultimately increase the value that auditors are able to add to clients' operations and in the process improve the overall financial management and governance systems within the Government of Liberia.</p> <ul style="list-style-type: none"> ✓ The Management of the GAC continued to improve its financial management systems by putting into place additional measures to enhance the quality of the Commission's systems and processes. For example, the role of the Commission's Compliance Unit was expanded to review more areas of operations that could help optimize the use of limited resources and also add value to the operations. The Unit was also capacitated to review the accuracy of data entered into the GAC financial management software before periodic reviews are conducted by the Internal Audit Unit. This has enhanced the quality and timeliness of financial information for Management's use. ✓ The GAC Communication Unit also coordinated stakeholder outreach activities as a means of enhancing, and at the same time measuring, the impact the Commission's work has had on interested parties. The details of these engagements can be obtained from the relevant sections of this report.
<p>SG 3: High Performing GAC</p>	<ul style="list-style-type: none"> ✓ Despite the insufficient funding to implement audit activities, the Management of the GAC directed its resources to the most optimal use and included critical institutions of governments in its risk-based profiling process. Hence, a number of audits of ministries, agencies, commissions, projects and special operations were prioritized and conducted in 2019. The recommendations in these reports will be used to improve the financial management being implemented at the auditees' institutions, and at the same time contribute to improving governance in the public sector.



Strategic Goal	Accomplishments
	<p>✓ To enhance the quality of our work, we reinforced our quality control mechanisms and made significant progress in establishing a Quality Assurance Unit with support from the SNAO. These interventions will add value to our work and boost our ability to issue audit recommendations that will lead to an improvement in service delivery in the public sector.</p>

2.3 Review of Progress Made on Critical Capacities which Underpin the Strategic Goals

Progress made in the achievement of the Strategic Goals, as aforementioned, were contingent on developing and enhancing critical capacities which are identified in the GAC SP. These capacities, and the efforts made to improve them during the current year, are detailed below.

- a. **Good Infrastructure and Working Environment** – the adequacy of an SAI's physical and technological infrastructure, and the overall working environment/condition play a fundamental role in enhancing the number and quality of audits completed and the work of the SAI in general. Hence, during the year under review, the GAC Management undertook a number of initiatives to enhance the quality of the support system that was in place. With support from the EU's 11th EDF, massive upgrades were carried out to the Commission's existing Information and Communication Technology (ICT) systems, and supplemental support systems were also deployed to improve the quality of the working environment. In addition to the development of a modern and more user-friendly website, systems such as an HR module that covers employee data management suite, and an automated payroll system were implemented; Microsoft Office Enterprises licenses were also procured in addition to other support. The deployment of a Private Automatic Branch Exchange (PABX) system and a Document Management System began towards the end of the year, and implementation will be completed in 2020.
- b. **Performance Management System (PMS)** – in 2018, the GAC secured funding from the African Development Bank (AfDB) for the implementation of a Performance Management System (PMS) and development of the system was completed during the year under review. The adequate implementation of the PMS will be critical in monitoring the achievement of the GAC Strategic Goal 3. Here, the effectiveness and efficiency with which Management utilizes and improves the workforce at its disposal and the interventions taken to maintain healthy working culture which produces an increased number of high-quality audits will be managed.
- c. **Enhanced Learning and Professional Staff Development Function** – during the year under review, personnel from the GAC Training Unit were exposed to professional certification trainings as Management made efforts to enhance the Unit's capacity. Also, mechanisms have been put into place so that, in the interim, in-house and external experts are provided to the Unit on a need basis to enable them conduct relevant trainings for



Audit and Administrative staff. Management's long-term objective is that, in addition to the capacity developments Training officers are receiving, personnel with relevant expertise will be transferred to the Unit to help diversify the expertise in the Unit which will in turn boost its ability to conduct trainings relevant to the SAI.

In order to evaluate whether the GAC is getting value from the various trainings being conducted for the GAC staff, the GAC through the 11th EDF support, has developed a Return on Investment (ROI) framework on training activities.

- d. **Enhanced Performance, Financial and Compliance Audit Functions** – with the GAC being an audit institution, a strong audit function is critical to the Commission achieving its legal Mandate and thereby making a difference in the lives of citizens. To ensure that audit reports produced are of high quality and that the recommendations they contain are relevant and timely, the necessary structures must first be established. To this end, gains were made during the year to enhance the audit functions included robust trainings for audit personnel in all of the audit specialties and the adoption and customization of the new AFROSAI-E audit manuals.
- e. **Establish a Quality Assurance (QA) Function** – with support from the SNAO, in 2019 a QA Unit was established at the GAC and trainings were conducted for staff that had been transferred to the Unit. This built on work that was done in the previous year when arrangements were finalized for establishing the Function. When fully staffed and functional, Management envisages that the Unit will contribute enormously to enhancing the quality of the reports that the GAC publishes.
- f. **Enhanced Communication Function** – Management realizes the importance and benefits of having a fully functional communication function in its drive to positively impact the citizenry and so, during the year ended, the additional support was provided the GAC Communication Unit to enable it meet the needs of the Commission's esteemed stakeholders. Strategic outreach and related activities were carried out as the Unit continued the implementation of its Stakeholders Engagement Strategy (SES). As part of a structured process, the Unit coordinated activities which sought to ensure that stakeholders received relevant, regular and timely information so that the feedback they gave the GAC could be used to improve the Commission's service delivery.

Internally, activities such as information sharing via the electronic boards and the publishing of a bi-weekly newsletter were carried out to help create a positive culture of idea sharing which would boost employees' morale and also provide them the tools to contribute to achieving the Commission's strategic goals and objectives.

- g. **Enhanced Human Resources (HR) Function** – As human capital is the most important tool needed to implement the work of an SAI, a robust HR Function is an integral component of the overall make up of such an organization. Hence, as in previous years,



emphasis was placed on further developing this critical element of the Commission. To this end, several interventions were made, with help from experts hired through 11th EDF, to review the existing HR environment and suggest improvements as necessary. Also, the Personnel Manual, which serves as a depository of employee policies, was revised to bring it up to date with provisions of the Decent Work Act of 2015 which was printed into handbill after the last Employee Manual was finalized and launched. Further, an HR strategy was developed to deal with current and future HR strategic matters necessary for the organization to reposition itself as a modern SAI.

The details of these interventions are reported in subsequent sections.

2.4 Our Operational Focus For 2020

We envisage that 2020 will provide the GAC another opportunity to provide value for the Liberian citizenry, and as such, we intend to focus our energies on a number of critical targets. Specifically, we aim to:

- Increase our audit coverage
- Enhance our engagement with stakeholders – our clients, the PAC and other relevant legislative committees, the Media, CSOs, integrity institutions, academic institutions – through focus groups discussion and other methods.
- Enhance our follow-up mechanisms by creating innovative solutions for the implementation of our audit recommendations.
- Enhance our capacities from an institution and personnel perspective

2.5 Implementation of the EU 11th EDF Project Support to the GAC

The current EDF support dawned in December 2016 with the signing of a Financing Agreement (FA) between the EU and the Government of Liberia.

The Project leverages on the GAC Strategic Plan 2016-2020, and its main objective is to assist in the process of improving accountability and transparency in the management of public resources in Liberia, providing assurance to the citizens and the Legislature that public money has been properly and wisely spent thereby ultimately contributing to poverty reduction. It is relevant for the United Nations 2030 Agenda for Sustainable Development, and contributes primarily to the progressive achievement of SDG Target 16 “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. It also promotes progress towards goals in all its forms everywhere.

The two main components of the Project “GAC makes progress in becoming a credible and effective SAI” and “Strengthened relationships with stakeholders” are implemented



simultaneously via two complementary projects: a Programme Estimate (PE) administered by the GAC and a Service Contract managed by EUROSUPPORT SRL and overseen by the National Authorizing Office (NAO) of the Ministry of Finance and Development Planning (MFDP).

The following is a summary of achievements made under the Project during the year under review:

2.5.1 Programme Estimate

- a. Consultative workshops held with the following stakeholders: auditees (27th June 2019), the PAC (14th August 2019) and integrity institutions (21st August 2019). Similar events were also held with CSOs on 14th September and the Media on 18th September 2019. These activities relate to Component 2 of the FA which aims at strengthening stakeholders relationships.
- b. Massive upgrade to the GAC ICT infrastructure – the development of a new website for the Commission and upgrade to the Microsoft Office licenses were among a number of interventions carried out.
- c. GAC audit and administrative personnel made progress in their ongoing quests to become professionally qualified with the Association of Chartered Certified Accountants (ACCA), the Institute of Internal Auditor (IIA), and Chartered Institute of Management Accountants (CIMA) amongst others institutions. One (1) Human Resources (HR) personnel was certified as Senior Professional in Human Resources-International (SPHRi) as part of the program.
- d. Intensive in-house and on-the-job trainings conducted by Short-term Expert (STE) provided through arrangements with the AFROSAI-E Secretariat or members of the region. The trainings covered personnel in the Financial, Compliance, Performance and IT Audit specialties with emphasis on the use of the newly released audit manuals.
- e. Enhanced collaboration with other SAIs in the region by signing relevant Memoranda of Understanding (MOU). Documents for cooperation were signed with the OAG, Kenya and Ghana Audit Services (GAS) respectively to facilitate mutual support between the GAC and these counterparts. The agreements were in addition to the existing MOU that was signed between the GAC and SAI Tanzania in 2015, and it is envisaged that they will serve as a basis for exchange visits and other capacity building activities foreseen in the PE.





The AG Signs a Memorandum of Understanding (MOU) with Her Counterpart from SAI Kenya

2.5.2 LTTA Service Contract

The following were achievements made under the LTTA Service Contract in 2019:

- a. AFROSAI-E Financial and Compliance Audit Manuals customized by an expert and auditors have begun conducting audits using the customized manuals.
- b. Prepared regulations to the GAC Act of 2014 and submitted to the Legislature for enactment.
- c. Reviewed all job profiles and procedures within the GAC Scheme of Service and brought them up to date with AFROSAI-E Integrated Competency Management System.
- d. Reviewed the time recording system deployed with AfDB support to ensure that the system met the desired output.
- e. Reviewed the implementation of the PMS and worked with the GAC HR Unit to provide the initial training on its implementation.
- f. Carried out training needs assessments (TNA) for personnel within the GAC Corporate ICT Unit.
- g. Completed a review and update of the GAC HR Strategy and HR Manual which includes the Knowledge Management Policy and Succession Planning amongst other policies.
- h. Developed a ROI system for the GAC to evaluate the impact of training activities undertaken by the organization.



- i. Identified and formulated management training programmes which included Strategic Management and Leadership training, as well as training in International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and the Management Development Programme.
- j. Coordinated with the administrators of the PE to organize workshops/conferences for the Legislature, the Media, CSOs, integrity institutions and other key stakeholders, setting out the role of the modern GAC and best practices from around the world.
- k. An expert hired to conduct training and streamline the GAC planning and budgeting systems and to develop new processes as necessary. Work was completed prior to the beginning of the 2019/20 fiscal year.
- l. Communication and media trainings carried out for management staff.
- m. Development of a Clients' relations management strategy and trained managers on clients' relations.
- n. Developed a communication policy for the GAC.
- o. Workshop held with the Media regarding how to report on financial/audit related matters.
- p. Assisted the GAC develop a strategy for improving the management of audit recommendations.
- q. Developed a strategy for improving services to the Public Accounts committee (PAC).

2.6 Audit of the GAC's Accounts

In 2017, the PAC of the 53rd Legislature appointed the OAG, Kenya to audit the GAC for three (3) fiscal years (2015/2016 to 2017/2018). One of the objectives of the audit was to ensure that the Commission remained up to date on auditing of its accounts as required under the GAC Act of 2014. The reports have been submitted to the Legislature by the auditors, and copies can be obtained from the GAC website (www.gac.gov.lr).

2.7 Implementation of the GAC Stakeholders Engagement Strategy (SES)

2.7.1 Overview of the SES

The GAC realizes the importance of effective stakeholder engagement hence a SES was developed to be implemented for the period 2018 – 2020. The SES is aligned with the Commission's overall Strategic Plan, and is aimed at achieving Outcome Number 4 of the



Strategic Plan, which focuses on more stakeholder engagement by the GAC. The Strategy is also in line with the "Collaborative Service Delivery Model" detailed in the SP which looks at how the GAC can achieve its outcomes in collaboration with stakeholders.

The main objective of the Strategy is to make known the GAC's operations that a collaborative environment can be created for the attainment of its goals enshrined in the SP. This objective is further broken down to include targets, some of which include: identifying the GAC's stakeholders, their levels of power/influence and how to they can support the GAC activities; to increase understanding of the GAC's role and mandate, vision, mission, values, programs, policies and environment in which it operates; to improve communication and engagement with key partners and the public; ensure that accurate information is delivered in an open, effective an timely manner, and; provide a platform for private sector participation in the development of policies, services and programs, among others.

In developing the Strategy, specific reference was made to the Audit Act of 2014, the Public Financial Management Act of 2009, the Amended Public Procurement and Concessions Act (PPCA) of 2005 as amended in 2010 and the relevant INTOSAI principles (INTOSAI P1, P10 and P12). Relevant tools were used to categorize stakeholders according to their perceived levels of power/influence, so that this could be used as a basis for how to structure the Commission's interaction with them. Accordingly, institutions/organizations with interest in the GAC's operations can be grouped as:

- a. **High Power, High Interest** – in this group is the Legislature and the PAC, the MFDP and the Judiciary. This group must be **kept engaged**, and so the GAC must make the greatest efforts to satisfy them since they have the ability to influence the Commission's operational outcomes.
- b. **High Power, Low Interest** – this group comprises the Executive (His Excellency the President and the Vice President). Stakeholders in this group must be **kept satisfied**, but the GAC must be careful not to load them with too much information or this could undermine to what the Commission wishes to achieve.
- c. **Low Power, High Interest** – the donor partners such as the European Delegation, the World Bank, the Swedish International Development Cooperation Agency (SIDA) and professional institutions such as Liberian Institute of Certified Public Accountants (LICPA). Also included in this category are international partners such as INTOSAI, IDI, AFROSAI, AFROSAI-E, Integrity Institutions, some media institutions and CSOs, private sector auditing firms, the GAC Senior Management and the National Authorizing Office (NAO). This group must be adequately kept informed as they can be helpful in ensuring that the GAC achieves its objectives.



- d. **Low Power, Low Interest** – these include some media and CSOs, as well other GAC staff members. This group must be **monitored**, and also care must be taken not to overload them with too much information.

The purpose of this section is to provide a summary of activities that were undertaken to engage with these stakeholders during year under consideration. The complete details of information contained in the SES and the related reports on implementation can be sourced from the Strategy document and the relevant implementation reports.

Implementation of SES

This section details the actions taken with per category of stakeholders. Note that implementation of these initiatives was funded through the EU 11th EDF support, and supplemented by the GAC's Government of Liberia (GOL) appropriation.

- a. **High Power, High Interest** – here, two interactive sessions were held with members of the PAC and the Legislature during the year under review. The first was conducted on March 27, and this was attended by members of the Committee and the Secretariat. The focus of this engagement was on building a mutual understanding regarding how the Committee's work can support the role and responsibilities of the GAC in, for example, ensuring that public hearings are held which will eventually contribute to the implementation of the GAC audit recommendations; the aim was also to reinforce the relationship that exists between the two bodies, especially in view of the fact that new members had joined the PAC following the change in Administration.

In addition to regular interactions with the Legislature during the budget approval period, the GAC held a consultative forum with the body on August 14, and this interaction focused on issues at a general level – how the GAC can be supported by the Legislature to execute its mandate and the Commission's role in supporting legislative oversight in ensuring that there is value for money in the use of public resources.

Feedback from these engagements shows that the GAC continues to have strong standing with the PAC and the Legislature in general. For example, in responses to direct survey questions, Ninety percent (90%) of the members appreciate the quality of our work, Eighty five percent (85%) of members of the PAC and Legislature rated the GAC as professional with integrity and honesty. A further eighty percent (80%) commended the Commission for its impartially and independence. With regards to communication, the Legislature described the GAC communication as improved to some extent compared to 2018, but however needs some improvement.

The DAG, Audit Services, who works in a liaison capacity with the PAC, met routinely with the members of the Committee to provide a more in-depth perspective of the GAC audit reports and also attended public hearing to provide support and expertise as necessary.



The AG also met regularly with the Minister of Finance and Development Planning to discuss critical matters related to improvement in Liberia's public financial management – budget execution and financial reporting – as well the GAC budget and operational requirements. Plans are also in place to enhance the relationship which currently exists with the Judiciary, and Management hopes that some of these activities will commence in 2020.



Participants at the End of the Workshop with the Legislature



A Representative from the EU Making Remarks during the Workshop with the Legislature





Participants and Facilitators at the Workshop with the Legislature

- b. **High Power, Low Interest** – the GAC Management interacted with the Ministry of State for Presidential Affairs, which administers the affairs of the President. Regular interactions were also held with the advisor to the President and the Director of the Cabinet. Matters of significance such as how the GAC role in enhancing national fiscal probity in government, the independence of the GAC and implementation of audit recommendations continue to be high on the agenda when these meetings are held.
- c. **Low Power, High Interest** – during the past year, the GAC interacted with donor partners at the level of various Steering Committees (the Public Financial Management Reform for Institutional Strengthening Project and the GAC 11th EDF Support Project, for example) with focus on the means by which the GAC's strategic goals can be achieved and how the Commission can better serve its stakeholders. These meetings provided unique opportunities to share valuable experiences not only between the GAC and the donor community, but in many instances with stakeholders which included other integrity institutions. The LTTA to the GAC also played a significant role in coordinating efforts to enhance engagements with the donors through workshops organized with other stakeholders like the PAC, integrity institutions, the Media, CSO, programs in which the donors actively participated.

With reference to the integrity institutions, engagements were carried out through a number of initiatives, the most notable being a consultative forum which was held on 21st August. The forum built on the workshop that was held in 2018 and aimed at creating a collaborative environment of mutual support among integrity institutions as they work together to achieve their individual mandates. Other initiatives involved the GAC laying the foundation to have a Memorandum of Understanding (MoU) in place with other integrity institutions for collaboration in implementing their respective mandates so that overlaps in their roles can be resolved. Also, the GAC was an active participant in meetings (and took the lead as necessary) that were aimed at re-igniting the National Integrity Forum (NIF), a platform on which integrity



institutions had previously worked together to share experiences on challenges they face, and to enhance their ability to serve as a unified force in promoting sound governance through the effective and efficient use of public resources.

Interactions with the auditees, Media and CSOs were executed through formal discussion and consultative forum which were held during the year (auditees were engaged on 27th June and CSO and Media on 4th and 18th September, respectively). These engagements sought to enlighten the stakeholders on the role and mandate of the GAC and how they play a significant role in contributing and ensuring that the Commission achieves its constitutional mandate.

At the end of these forums, the GAC conducted surveys to ascertain the impact that these engagements and interactions had on these stakeholders. For example, the outcome of the 2019 survey of the auditees showed that they were satisfied with the GAC's audits. Over eighty five percent (85%) of respondents agreed that their entities' relationships with the GAC were either "Good" or "Very Good". Seventy percent (70%) agreed that the work done by the GAC was of high quality, and that seventy percent (70%) of the outcome of the audit work brings value and saves money which can be diverted to other uses for national development. Overall, seventy five percent (75%) of respondents indicated that the GAC recommendations led to improvements in their work, while seventy percent (70%) said the GAC's interaction with them brought some positive changes in their operations.

The GAC also worked with some Media institutions through press releases and press conferences, and by special trainings on, for example, how to report on financial/audit matters. Additional work done with relevant CSOs was mostly in the form of working meeting which aimed at building an open exchange between the GAC and these organizations which can serve as a basis for providing more information to the Liberian citizenry who will in turn enhance their knowledge of the GAC mandate. The GAC envisages that work with these stakeholders will establish networks that can be used as platforms for advocacy on behalf of the Commission and increase the visibility of its efforts in enhancing transparency in public sector governance.

The AG also engaged officials and members of INTOSAI, AFROSAI and AFROSAI-E, through governing boards and international committees. At these meetings and via various communication media, the AG kept these stakeholders up-to-date with regards how events are unfolding at the GAC. As a result of these updates, the GAC was able to source multiple personnel and institutional capacity building opportunities, and remained updated regarding developments in the international public financial management and auditing environment.





Participants at Workshop with MACs



Facilitators at the Workshop with MACs



Participants and Facilitators at the end of the Workshop with MACs





Participants at the Workshop with the Media







Facilitators at the Workshop with Integrity Institutions

- d. Low Power, Low Interest** – engagements with staff were carried out through structured and active communication via means of memos on internal notice boards, group emails, brochures and bi-weekly new letters. In addition to their participations in workshops, the GAC worked with other CSOs and media institutions by monitoring their works and publications to determine to what extent they affected or could contribute to the Commissions strategic objectives, and how the GAC could look to build future relationships with them.

2.8 Audit of the GAC Accounts

In compliance with Section 3.6 of the Audit Act of 2014, the GAC was audited by the OAG, Kenya for the three fiscal years ended June 2016, June 2017 and June 2018. The reports have been issued to the Legislature, and copies can be obtained from the GAC website (www.gac.gov.lr).

3 CHAPTER 3: AUDIT ACTIVITIES

			
<p>Auditors heading for Audit</p>	<p>Auditor reviewing financial documents</p>	<p>A balanced audit report is published</p>	<p>Outcome of audit report optimizes the use of resources and enhances efficiency in public governance</p>

3.1 Audit Engagements 2019

Section 2.1.3 of the Audit Act, 2014 authorizes the AG to conduct audits of all public accounts and funds of the Republic of Liberia. Hence, the GAC is mandated to audit a client portfolio (audit universe) which comprises government ministries, agencies and commissions (MAC), as well as institutions of higher learning and relevant programs and activities across the Country. Even though the scope of the AG's authority to audit covers all public funds generated through tax and non-tax revenue, donor support and other sources, resource constraints, which may be financial or time bound, often limit the AG's ability to audit the entire portfolio in a given year. Hence, a risk-based profiling process, which classifies auditees as high, medium and low risk, is used to select the audits that will be conducted in a given year. The classification of an audit into any of the aforementioned categories is informed by a number of factors – the size of the budget, level of complexity of operations (which is often influenced by the degree of decentralization), stakeholders' interests, period of last audit and audit opinion, and other relevant factors.

In 2019, the GAC audit risk-profiling process resulted in one hundred five (105) institutions and programs of government being rated as high, medium and low risk. As aforementioned, emphasis was placed on institutions classified as high and medium risk as far as the available budgets could cover. Note that some institutions classified as high or medium but were not audited during the period under review because the estimated cost of audit was very significant considering the scope of their operations and the extent of presence around the Country.

The AG issued a total of forty four (44) audit reports in 2019, and another thirty nine (39) audits were ongoing at the end of the year. Of the completed audits, twenty one (21) were for MACs, twenty two (22) were issued for various project audits, and one (1) report was for an agreed-upon procedure. Of the forty four (44) audits, seven (7) were issued



for Financial Audits, twelve (12) for Compliance Audits (including one stand-alone IT Audit) and two (2) for Performance Audits; moreover, twenty two (22) were for project audits (mostly project financial audits) and one (1) for an Agreed-upon Procedure. Below is a detailed list of all audit reports issued during the calendar year 2019:

A. Financial Statements Audits

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
1	AG's Report on the Financial Statements of the Financial Intelligence Unit (FIU)	July 1, 2015 – June 30, 2017	March 2019
2	AG's Report on the Audit of Financial Statements of the National Port Authority (NPA)	January 1, 2012 – June 30, 2018	April 2019
3	AG's Report on the Financial Statements of the Ministry of Foreign Affairs (MFA)	July 1, 2015 – June 30, 2016	May 2019
4	AG's Report on the Financial Statements of the Economic Recovery of Liberia Rice Farmers in Ebola Affected Counties (ERLRFEC) Project	May 1, 2017 - December 31, 2018	June 2019
5	AG's Report on the Financial Statements of the National Investment Commission (NIC)	July 1, 2016 - June 30, 2018	July 2019
6	AG's Report on the Financial Statements of the Government of Liberia's Consolidated Accounts	July 1, 2016 – June 30, 2017	October 2019
7	AG's Report on the Audit of the Financial Statements of the National Oil Company of Liberia (NOCAL)	June 30, 2018	October 2019

B. Compliance Audits

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
1	AG's Compliance Audit Report on the Monrovia City Corporation (MCC)	July 1, 2013 – June 30, 2017	January 2019
2	AG's Compliance Audit Report on the Liberia Marketing Association (LMA) Financial Reporting and Procurement	January 1, 2016 to December 31, 2018	March 2019
3	AG's Compliance Audit Report on the John F. Kennedy Medical Center (JFKMC)	July 1, 2015 – June 30, 2017	March 2019
4	AG's Compliance Audit Report on the Ministry of Foreign Affairs (MFA)	July 1, 2013 – June 30, 2015	May 2019
5	AG's Compliance Audit Report on the Land Commission (LC)	July 1, 2015 – June 30, 2016	May 2019
6	AG's Compliance Audit Report on the Interim Land Task Force (ILTF)	July 1, 2016 - June 30, 2017	May 2019
7	AG's Compliance Audit Report on the Liberia Land Authority (LLA)	July 1, 2017 - June 30, 2018	May 2019
8	AG's Compliance Audit Report on the National Investment Commission (NIC)	July 1, 2016 - June 30, 2018	July 2019



No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
9	AG's Compliance Audit Report on the National Lottery Authority (NLA)	July 1, 2015 – June 30, 2019	November 2019
10	AG's Compliance Audit Report on the Liberia Extractive Industries Transparency Initiative (LEITA)	July 1, 2013 – June 30, 2015	October 2019
11	AG's Compliance Audit Report on the Liberia College of Physician & Surgeons (LCPS)	July 1, 2014 – June 30, 2017	October 2019

C. Performance Audits

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
1	AG's Performance Audit Report on Liberia's Preparedness for Implementation of the Sustainable Development Goals (The AGENDA 2030)	December 31, 2018	March 2019
2	AG's Performance Audit Report on the Institutional Framework for Preventing Corruption in Liberia	December 2018	May 2019

D. IT Audit

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
1	AG's Audit Report on the Integrity and Reliability of Data in the Civil Service Agency (CSA) Payroll	2018	August 2019

E. Project Audits

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
1	USAID Grant – Emergency Ebola Support Project	September 1, 2014 – September 30, 2015	February 2019
2	USAID Grant – Supplementary Budget Support to Public Sector Health Salaries of the Government of Liberia	March 31 – June 30, 2011	June 2019
3	MOA – AG's Compliance Audit Report on the Procurement of Goods, Works and Service Conducted by Management Economic Recovery of Liberia Rice Farmers in Ebola Affected Counties Project (ERLRFEAC/J-RICE)	May 1, 2017 – December 30, 2018	June 2019
4	RREA – Renewable Energy Access Project LIRENAP)	July 1, 2018 – June 30, 2019	December 2019
5	LEC – Liberia Accelerated Electricity Expansion Project (LACEEP)	July 1, 2018 – June 30, 2019	December 2019
6	Liberia Energy Efficiency and Access Project (LEEAP)	July 1, 2018 – June 30, 2019	December 2019



No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Published
7	MOH – Ebola Emergency Response Project (EERP)	July 1, 2018 – June 30, 2019	December 2019
8	MOH – Health Systems Strengthening Project (HSSP)	July 1, 2018 – June 30, 2019	December 2019
9	MOH – Strengthening Liberia Health System Project (SLHSP)	July 1, 2018 – June 30, 2019	December 2019
10	MGCSP – Liberia Social Safety Net Project (LSSNP)	July 1, 2018 – June 30, 2019	December 2019
11	MOH – Regional Disease Surveillance Systems Enhancement (REDISSE), Phase II	July 1, 2018 – June 30, 2019	December 2019
12	MOE – Getting to Best in Education	July 1, 2018 – June 30, 2019	December 2019
13	MOA - Tree Crop Extension Project (TCEP)	July 1, 2018 – June 30, 2019	December 2019
14	LWSC - Liberia Urban Water Supply Project	July 1, 2018 – June 30, 2019	December 2019
15	FDA - Liberia Forest Sector Project (LFSP)	July 1, 2018 – June 30, 2019	December 2019
16	LLA - Liberia Land Administration Project	July 1, 2018 – June 30, 2019	December 2019
17	FDA - Preparation of the Readiness Carbon Partnership Facility Project (FCPF)	July 1, 2018 – June 30, 2019	December 2019
18	MPW - Liberia Road Asset Management Project (LIBRAMP)	July 1, 2018 – June 30, 2019	December 2019
19	MFDP - Liberia Micro, Small, Medium, Enterprise & Rural Finance Post Ebola Reconstruction Project	July 1, 2018 – June 30, 2019	December 2019
20	MFDP - Integrated Public Financial Management Reforms Projects (IPFMRP)	July 1, 2018 – June 30, 2019	December 2019
21	CSA - Public Sector Mobilization Project (PSMP)	July 1, 2018 – June 30, 2019	December 2019
22	MYS - Youth Opportunity Project (YOP)	July 1, 2018 – June 30, 2019	December 2019

(f) **Special Audits and Special Investigations**

No	Audited Entity and Audit Report Title	Audit Period (Financial Year)	Audit Type	Published
1	AG's Report of Factual Findings on Applying the Agreed-Upon Procedures of the US\$25 Million Mop-up Exercise Conducted by the Central Bank of Liberia (CBL) as Mandated by the Technical Economic Management Team (TEMT)	July 17, 2018 – March 21, 2019	Agreed-Upon Procedures	May 2019



3.2 Notable Audit Issues

3.2.1 Financial Statements Audits

During the execution of our audits, we identified a number of issues ranging from poor governance structures to weak financial management practices in the institutions. Also, several institutions demonstrated an ongoing challenge in preparing financial statements in compliance with the relevant reporting framework. Hence, some of these institutions did not submit financial statements while others submitted financials that did not meet the requirements of the applicable reporting standard.

There were also notable delays in the submission of documentation and in responding to management letters and draft audit reports. This adversely affected the reporting timeline foreseen during audit planning.

3.2.2 Compliance Audits

Compliance Audits were executed to express an opinion on the extent to which MACs were compliant with laws, regulatory guidelines, policies, established codes, budgetary allocations and relevant contracts. During the audits, we discovered that a substantial amount of the MACs activities were not in compliance with the relevant laws and frameworks. Several issues were discovered relative to compliance with the PPCA and other legal requirements.

Moreover, we noted that there is a need to strengthen internal controls in a number of institutions, which should be combined with robust monitoring. Our audits also revealed that sufficient efforts were not applied to correct systematic weaknesses that have been identified during previous years' audits.

While these were the general findings, we noted that a number of MACs were eager to develop and implement strategies to improve their performance and mitigate risks and errors. Further, we noted that several MACs were undergoing restructuring aimed at improving their performance.

3.2.3 Performance Audits

The purpose of our performance audits was to provide assurance to the Legislature and the public on the efficiency, effectiveness and economy of the operations of MACs and programs. We sought to examine the outputs and outcomes of activities carried out at public entities to determine if the objectives of programs were met, and if there was value of money in the expenditure of resources allocated to these activities.

One of the most notable issues discovered during the course of conducting performance audits during the year under review is the need for better preparation on the part of the Government of Liberia to implement the Sustainable Development Goals (SDG). The attainment of the goals, which are collectively designed to help nations around the world



achieve a better future for all, is critical for Liberia which is a founding member of the United Nations (UN) and a country emerging from years of civil unrest which needs to enhance the living standards of its citizenry.

3.3 General Findings

Below is a summary of the key findings from audit reports released in 2019:

- ✓ Need for Improvement in Governance
- ✓ Procurement breaches
- ✓ Inadequate internal controls
- ✓ Non-compliance with compensation regulations
- ✓ Poor record management
- ✓ Inadequate risk planning
- ✓ Lack of regular reporting by departments heads
- ✓ Failure to comply with procurement regulations
- ✓ Lack of procurement committees and annual procurement plan
- ✓ Expenditure without supporting documents
- ✓ Variance between expenditure reported and expenditure incurred
- ✓ Inadequate withholding and remittance of social security taxes
- ✓ Bank reconciliations not prepared
- ✓ Lack of/ inadequate financial statements and books of accounts
- ✓ Lack of punitive actions for perpetrators of corruption.

3.4 Annual Appropriation for Audit

In accordance with Part 3 Sections 3.4 of the Audit Act 2014, the General Auditing Commission shall be funded by the Government of Liberia through budgetary appropriations made by the Legislature. The GAC proposed budget for fiscal year 2019/2020 was US\$ 8,905,251. Of this amount, US\$2,225,904 was for audit activities, while US\$ 6,679,347 represented budget estimates for Administration and Management. Of the proposed US\$2,225,904 for audit, US\$185,250 was appropriated to implement audit activities. When actual disbursement by the MFDP to finance audit is compared to what is allocated by the Legislature, it is evident that the GAC's work is being under-funded. The table below provides the details:

Table B: General Auditing Commission Appropriation for Audit FY 2019/2020

Source of Support	Proposed Estimate by the GAC	Appropriation by the Legislature
		Allocated 2019/2020
Government of Liberia	US\$2,225,904	US\$ 185,250
External Support	-	-
Total	US\$2,225,904	US\$ 185,250



3.5 Challenges Hampering Audit Execution

As far as challenges are concerned, the following apply:

- 1) Insufficient budgetary support
- 2) Staff retention
- 3) Delay by auditees in the submission of financial statements
- 4) Inadequate working tools such as laptops, desktop computers and printers.
- 5) Inadequate vehicles to convey auditors to carry out field verification exercises
- 6) Need for additional upgrade to physical infrastructure and working environment.
- 7) Delays in the completion of audits arising from some entities failure to respond to management letter or provide evidence/ supporting documentation within the required timeframe.
- 8) Delay in some audits due to inaccessibility of some counties especially during the rainy season which affects the GAC's ability to complete the audits in a timely manner.
- 9) Unstable electricity which has an adverse effect on the timely completion of audits

3.6 Audit Quality Control and Quality Assurance

In 2019, the GAC was peer (quality) reviewed by SAIs from the AFROSAI-E region. This ensured that the Commission met one of the minimum but critical international benchmark for SAIs and at the same time set a basis for its continuous improvement and development. The outcome of the review, which is detailed in a report, will be released shortly. It is expected that the findings will help the Commission's improve its governance processes and also serve as a blueprint to be used by the GAC Quality Assurance (QA) Unit to enhance the quality of the audit processes.

The QA Unit is responsible to conduct quality assurance reviews, identify potential methodology to improve the audit processes and develop and monitor quality controls. The Unit undertakes these reviews to ensure that audits are in compliance with the relevant auditing standards and government laws and regulations.

Enhancing the audit process is critical to improving the quality of public financial management, which is fundamental in making a difference in the lives of citizens.



4 CHAPTER 4: ADMINISTRATION ACTIVITIES

The Department of Administration provides support services to the Office of the Auditor General in carrying out the GAC mandate. This Department is divided into various units: Human Resources (HR), Accounting and Finance, Strategic and Operational Planning, Procurement and Asset, Facility and Fleet Management (AFFM). Other units include Management Internal Controls (MIC), Corporate Information and Communication Technology (ICT), Communication, Facility Security, Budget, Project Management, Internal Audit, Stores and Legal Services. There are also sections/ sub-units which include Protocol, Training, Library and Print and Publication.

4.1 Human Resource and Manpower Development



4.1.1 Human Resource Activities

This Unit covers the overall HR function, in addition to Training and Manpower Development and the Resource Center (Library) sections.

During the year under review, the HR Unit increased its compliance monitoring mechanisms and the enforcement of various organizational policies. Also, the GAC launched its Performance Management and other automated systems such as attendance, leave, timesheet, payroll and employees records. The Commission also embarked on a massive review of its HR Strategy and Employees' Policies and Procedures Manual.

Composition of Workforce

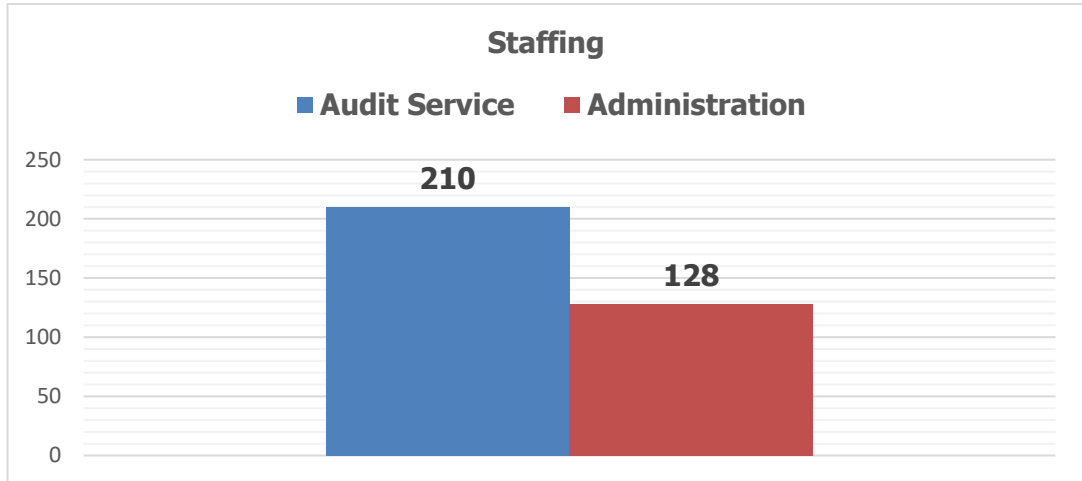
At the end of 2019, the GAC had a total workforce of three hundred thirty eight (338) employees. As part of efforts aimed at contributing to national capacity development, the GAC trained three (3) interns (1 male and 2 females) in its administrative and audit processes, thereby enabling them to gain firsthand knowledge and experience for future employment.

Of the total of three hundred thirty eight (338) employees, two hundred ten (210) were in Audit Services, which represented 62.1% of the total workforce; one hundred twenty-

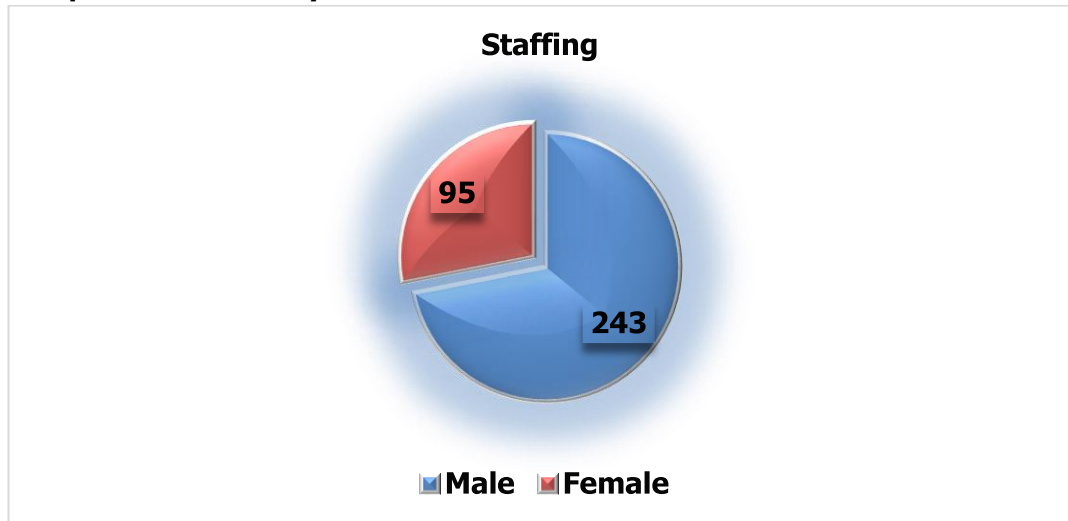


eight (128) were in Administration, corresponding to 37.9% of the total staff. Two hundred forty three (243) employees were male, which makes 71.9%, while ninety five (95) were females, representing 28.1% of the total staff number. Also, there was a staff turnover of 13, representing 3.8% overall. Below are illustrations of the distribution of both departments and gender basis, with consideration given to staff turnover.

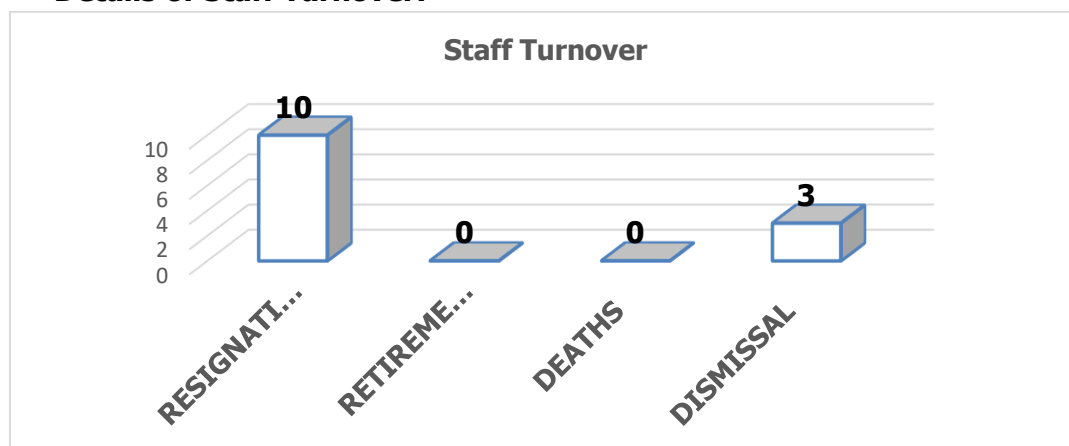
GAC's Workforce by Departments



Composition of Staff by Gender



Details of Staff Turnover:



4.1.2 Resource Center Activities

This section of HR manages the documentation and archives. During the year under review, the HR's long-standing plan to recondition the Resource Center was launched and was at 80% completion at the close of the year. New book shelves and boxes were mounted which enhances the movement of documents to the archives.

4.1.3 Training and Manpower Development

This section of the HR manages training and professional development of staff to ensure that they go through capacity building programs as a means of enhancing their capacities to support the achievement of the GAC Strategic Goals.

During the year under review, capacity building was implemented in the forms of external workshops, and in-house seminars, and other trainings programs which were facilitated by regional and international accounting bodies to enhance the skills of staff. A fundamental training was the ongoing staff professionalization program which is being financed by the EU 11th EDF to enable staff obtain internationally recognized certifications such as Chartered Accountant with the Association of Chartered Certified Accountants (ACCA), Certified Internal Auditor (CIA), Chartered Management Accountants with the Chartered Institute of Management Accountants (CIMA), Project Management Professional (PMP) and other qualifications. These trainings are intended to enable staff obtain the basic accounting skills and knowledge required to effectively function in an audit environment, while those in the Administrative Department obtain the appropriate certifications aimed at providing adequate support to the Audit Services Department.

During this period, employees also participated in several local trainings, some of which were facilitated by GAC staff alongside external experts, and foreign trainings/workshop/meetings.



Table C: Enrolment in the Professional Certification Programs

Program	Number of Candidates Enrolled	Number of Candidates that Passed Various Papers
ACCA	82	1
CAT	77	51
CIMA	4	2
CISA/CRICS	9	1
CIA	6	0
PMP	4	0
PHRI/SPHRI	4	1
Technical Certification Courses for Corporate ICT Personnel	9	2
LIPA	10	10
TOTAL	205	68

Internal Trainings

At the GAC, on-the-job training, coaching and mentoring of staff members continued during the past year. In addition to external support from experts, most of which were from the AFROSAI-E region, audit managers and other staff facilitated trainings for staff as Management strived to have the staff population benefit from some of the external trainings that managers had already benefited from. This, coupled with coaching and mentoring by the managers and team leaders in the use of the new audit manuals and other essential skills, has helped to upgrade staff knowledge, skills and output on the job.

Table D: List of Local Training Programs and Capacity-building Activities

No	Name & Purpose of Training	Venue	Number of GAC Staff that Participated
1	Media Training for Communication and Public Relations	GAC Conference Room	12
2	Media Training for Senior Management	GAC Conference Room	7
3	Media Training for Communication Personnel	GAC conference Room	4
4	Clients' Relations Training for Audit Seniors and Managers	GAC Conference Room	38
5	Change Management /Budget Trainings	GAC Conference Room	39
6	Quality Assurance and Control	GAC Conference Room	22
7	Training in the Audit of Global Fund Projects	Cape Hotel, Monrovia	8
8	Workshop for the Customization of the Financial Audit Manual (FAM) and Compliance Audit Manual (CAM)	National Authorizing Office (NAO), Monrovia	26
9	Health Awareness Workshop	GAC Conference Room	289
10	Workshop on Understanding World Bank Financial System for Enhanced Audit	Musu's Spot, Monrovia	4



No	Name & Purpose of Training	Venue	Number of GAC Staff that Participated
11	Employee Record Management (ERM) Training	GAC Conference Rooms	126
12	Strategic Leadership Training	GAC Conference Room	41
13	African Development Bank (AfDB) Institutional Capacity and Fiduciary Workshop	AfDB Country Office	4
14	Citizens Feedback Mechanism (CFM)	Ministry of Foreign Affairs, Monrovia	2



Participants at the GAC Budget Training



Participants at the Quality Assurance (QA) Workshop



An Expert from SNAO Conducting the QA Workshop

External Training

In 2019, GAC personnel attended trainings, workshops and conferences in foreign countries. The cost of attending most of these trainings was financed by development partners (IDI and AfDB, for example) or members/extensions of the INTOSAI community.

Table E: List of External Training Programs and Capacity-building Activities

No.	Description	Venue	Number of GAC staff who participated
1	AFROSAI-E Institutional Capacity Building Framework (ICBF) Workshop	Pretoria, South Africa	1
2	IDI Stakeholders Engagement Workshop	Pretoria, South Africa	2
3	AFROSAI-E Trainer-of-Trainers (TOT) Master Class	Pretoria, South Africa	1
4	Audit of Global Fund Grants (Sponsored by AIDSPAN)	Kigali, Rwanda	1
5	IDI SAI Young Leaders (SYL) and Coach Mentoring Program	Cape Town, South Africa	4
6	AFROSAI-E IT Audit Champions Program	Pretoria, South Africa	2
7	AIDSPAN Global Fund Roundtable Conference	Kigali, Rwanda	1
8	IDI Lesson Learnt on Stakeholders Engagement Strategies	Pretoria, South Africa	2
9	AFROSAI-E TOT Master Class	Pretoria, south Africa	1
10	Financial & Compliance Audit Methodology	Abuja, Nigeria	1





Attendance at Workshop Conducted by AIDSPAN on Audit of Global Fund Projects



Participants at the End of the AIDSPAN Workshop



GAC Employees Attending an HR Workshop on Job Profiling



4.2 Affiliation with Professional Organizations

To fulfill the requirements of 2.1.8 (g) of the Audit Act of 2014, the GAC represented the Republic of Liberia at relevant international functions and fully participated in the activities of professional bodies during the year under review.

The GAC also leveraged on other SAIs to utilize the needed expertise available in these institutions and at the same time benefit from knowledge sharing opportunities during the execution of various assignments.

As a member of INTOSAI, the GAC also interacted extensively with its African umbrella body AFROSAI as well as the Organization's English-speaking arm, AFROSAI-E. There was also extensive interaction with IDI, mostly in the area of capacity building.

As part of its collaboration with the aforementioned institutions and other relevant international bodies, in 2019, personnel from the GAC attended the following statutory meetings, workshops and conferences:

- 1) The AG, along with two staff, attended the AIDSPAN First Round Table Meeting in Kigali, Rwanda from 24th to 26th April, 2019.
- 2) The AG, along with two staff, attended the AFROSAI-E 16th Governing Board Meeting in Maputo, Mozambique from 6th – 10th May, 2019.
- 3) The AG and the DAG Audit Services attended the ECOWAS Association of Auditors General of West Africa Inaugural Meeting in Accra, Ghana from 22nd to 25th May, 2019.
- 4) The AG attended the INTOSAI Capacity Building Committee (CBC) and Donor Cooperation Steering Committee Meeting in Tokyo, Japan from 1st to 4th July, 2019.
- 5) The AG attended the INTOSAI & United Nations Department of Economic and Social Affairs (UNDESA) Joint Meeting - SAIs Making a difference – in New York, The United States of America (USA) from 22nd to 23rd July, 2019.
- 6) The AG, along with one staff, attended the XXIII International Congress of Supreme Audit Institutions (INCOSAI) in Moscow, Russia from 23rd to 28th September, 2019.
- 7) The AG, along with one staff, attended the National Audit Office of the People's Republic of China Seminars for English Speaking SAIs in Beijing, China from 14th to 23rd October, 2019.
- 8) The AG, along with two relevant staff, attended the AFROSAI-E 14th Technical Update Conference in Cape Town, South Africa from 27th to 31st October, 2019.
- 9) The AG, along with one staff, attended the AIDSPAN Second Round Table Meeting in Accra, Ghana from 10th to 13th December, 2019.





The AG Participating at the AFROSAI-E 16th Governing Board Meeting in Maputo, Mozambique



Auditors General from the AFROSAI-E Region and Other Participants at the 16th Governing Board Meeting



AG Gaye Represents the Republic of Liberia at the XXIII INCOSAI Meeting in Moscow, Russia





The AG in a Discussion with Members of the Arab Organization of Supreme Audit Institutions (AROBOSAI) at the XXXIII INCOSAI Meeting in Moscow

4.3 Assets to Support the Conduct of Audits

- **Vehicles**

The GAC is currently in urgent need of new vehicles, as most of those procured through donor support are either damaged/fully depreciated and are longer capable of being driven across most of the Country. This comes about as a result of the deplorable roads in most parts of Liberia to which most of these vehicles have been subjected to for the past eight (8) years. The depreciation of these vehicles has now brought huge financial burden as the Commission is constrained to defray huge repair and maintenance costs to keep the better ones operational.

This situation sometimes hinders the smooth operation of the Commission, especially during peak season, when the Institution is constrained to prioritize which field verifications will first be conducted and which will be postponed until vehicles are available. If this trend continues, the Commission, considering its drive to expand audit coverage (consistent with its Strategic Goal 1), will be forced to regress to previous times when vehicle rental was the primary means of facilitating audit field verification exercises. Currently, at least ten (10) vehicles are required to replace the mentioned assets. To help mitigate this situation, the GAC has worked with development partners and a commitment has been made for two vehicles in PFMRIS Project. Efforts are being made to finance the cost of procuring the remaining eight (8) though interactions with the GOL and ongoing discussions with other development partners.

- **Computers for Auditors**

The GAC usually embarks on the rotation of laptops amongst its audit staff because Management, until present, has not been able to assign a laptop to each auditor due to



the limited quantity available. The GAC is however working with development partners and exploring other possibilities from which it can acquire computers that are customized with the appropriate specifications for running the various audit and operational software to execute its work.

4.4 Financial Management and Budget Performance

Submission of Budget Estimates

In compliance with Section 3.4 of the GAC Act of 2014, in April 2019, the Management of the GAC submitted the Commission's 2019/2020 budget estimates and AOP to the Legislature (via the PAC) alongside its 2018/19 Budget Performance Report.

4.5 Financial Statements

The GAC committed to leading by example by being accountable for public funds appropriated to the Commission for the execution of its Mandate. By so doing, the Commission seeks to be cost-effective and ensure that there is value for money in the use of the resources. Note that from the beginning of the fiscal year ended June 2018, the GAC's budget has reduced in real terms, despite a demonstrated and communicated desire to increase its scope of operations to meet its Mandate.

The GAC operates on a fiscal year basis. Therefore, to present a more appropriate picture of its financial situation for the period under review, the financial statements that follow hereafter are presented on a fiscal year basis (July 1, 2018 – June 30, 2019). They do not represent the Calendar Year 2019. Note that these financial statements are unaudited, and that the audited statements will be made available to supplement this report when finalized. A copy will also be placed on the GAC website (www.gac.gov.lr) shortly thereafter.





Promoting Accountability of Public Resources

General Auditing Commission (GAC)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30,
2019



Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.

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STATEMENT OF RESPONSIBILITIES OF THE AUDITOR GENERAL, RL

The following Financial Statements set out from pages 1 to 11 have been prepared on the Cash Basis in accordance with International Public Sector Accounting Standards (IPSAS) and in compliance with the Public Finance Management Act, 2009 (PFM Act).

In accordance with the provisions of the Public Finance Management Act, I am responsible for the control and accounting of funds and all other public funds received, held and expended for and on behalf of the General Auditing Commission (GAC).

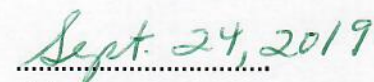
Section 3.6 (a) and (c) of the GAC Act of 2014 requires that the financial statements of the GAC be completed within three (3) months of the end of the fiscal year and its audited statements submitted by the independent auditors to the Legislature within an additional two (2) months. Accordingly, I am pleased to submit the required Statement of Receipts and Payments for the fiscal year ended June 30, 2019. I hope the notes to the Financial Statements will further clarify the information in these Financial Statements.

To the best of my knowledge and belief, these Financial Statements agree with the books of accounts, which have been properly kept.

I accept responsibility for the integrity of these Financial Statements, the financial information they contain, and their compliance with the Public Finance Management Act, 2009.



.....
Yusador S. Gaye, CPA, CGMA
Auditor General, R.L



.....
Date

MANAGEMENT DISCUSSION AND ANALYSIS ON THE FINANCIAL STATEMENTS

Introduction

This section gives a synopsis of significant items, transactions and events presented in the Financial Statements and the factors that influenced them. It introduces the statements and presents an analytical overview of the GAC's financial activities for fiscal year 2018/2019.

The Approved Budget

The Approved budget for the General Auditing Commission was **US\$5,456,672** of which US\$4,418,437 was allocated.

The Commission incurred a 58% over expenditure in goods and services. This happened because cash brought forward from previous period was expended in the reporting period to settle obligations.

Financial Performance

The GAC received US\$4,418,437 as budgetary allocation for FY18/19. Of this amount, Compensation of Employees constituted 90% and the remaining 10% was allocated to Goods and Services Consumed. Other receipts which totaled US\$342,838 include a receipt of US\$48,000 from Ministry of Health-(HSSP ERRP & SLHSP), US\$3,891 from National Oil Company of Liberia, US\$ 10,000 from Liberia Maritime Authority, US\$8,914 from the Ministry of Agriculture-STCRSP/J Rice Project, US\$60,000 from NASSCORP, US\$40,000 from the National Port Authority, US\$12,000 from Rural and Renewable Energy Agency, US\$82,297 from USAID, US\$4,000 from the Liberia College of Physician and Surgeons, US\$ 6,000 from the Liberia Electricity Corporation, US\$9,525 from the National Election Commission, US\$11,379 from the Ministry of Lands, Mines & Energy-LACEEP Project, US\$19,000 from the Roberts International Airport, US\$,15,972 from the PFMU-(MSME & IPMFRP) projects, and US\$5,000 from the Liberia Social Safety Nets Project. These amounts constitute reimbursements of audit cost. The Commission also received US\$4,988 from AIDSPAN as training cost of the Global fund grants for coordination and US\$1,872 as miscellaneous refund. The total cash receipt that was controlled by the Commission through its bank accounts during the fiscal period is **US\$4,761,275**.

Total staff compensation during the period was US\$3,955,935. In addition, US\$1,319,006 which constitutes 25% of the total expenditure was paid for Goods and Services. The Commission also spent US\$41,053 on capital expenditure under the 11th EDF support to the GAC. Other payments, which amounted to US\$2,315, included bank charges, pass-through expenditure and exchange losses and gains on operational transactions. A total payment from budgetary allocations for the fiscal period was **US\$5,318,309**.

During the period under review, the IPFMRP-AFDB component was placed on hold as a result of the GAC audit report of the Project. As a result of the Project been placed on hold, no payment was made under this project on our behalf. However, the European Union's (EU) 11th EDF Project support to the GAC made provision for capacity building (staff' professional development in programs such as the Association of Chartered Certified Accountants (ACCA),

the Chartered Institute of Management Accountants (CIMA) and other programs); other forms of institutional support were also provided under this arrangement.

Concerns and Strategic Focus

For the period under review, the GAC completed thirty-six (36) audits. This amount represents both government and donor projects audit.

Since the passage of the GAC Act of 2014, we have been submitting our budgets directly to the Legislature as enshrined in the Act. We have not received budgetary support to enable us bring to current all Ministries, Agencies and Commissions (MACs). Additionally, when a marginal amount is even added on by the Legislators, allotments are not given to implement or carry out audits. The overall national constraints have greatly affected the GAC.

Training and Capacity Building

The Commission as part of its capacity building plan has enrolled auditors and support staff into various certification programs such as the Association of Chartered Certified Accounts (ACCA), CAT, Chartered Institute of Management Accounts (CIMA), Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), Human Resources Management for Internal Based HR Leaders (SPHRI/PHRI), Project, Project Management Professional (PMP), Corporate IT and Liberia Institute of Public Administration (LIPA) Programs. After these capacity building exercises, the GAC will now have most of its staff certificated which will add value to the audit process.

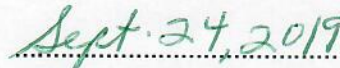
A total of 113 staff are enrolled into the Association of Chartered Certified Accountants, 103 staff are enrolled in the CAT program, 4 staff are enrolled in the CIMA program, 6 staff enrolled in the CIA program, 9 staff enrolled in the CISA/ CRICS, and other trainings.

The above trainings are funded under the EU 11th EDF funds project support.



Yusador S. Gaye, CPA, CGMA

Auditor General, R.L



Date

General Auditing Commission
Financial Statements
For The Fiscal Year Ended June 30, 2019



Ensuring Accountability of Public Resources

GENERAL AUDITING COMMISSION (GAC)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	FY 18 / 19		FY 17 / 18	
	Receipts/ (Payments) Controlled by Entity US\$	Payments by Other Government Entities US\$	Receipts/ (Payments) Controlled by Entity US\$	Payments by Other Government Entities US\$
RECEIPTS				
3 Authorized Allocation/Appropriation	4,418,437		4,930,075	-
4 External Assistance	-	179,167	832,249	115,860
5 Other Receipts	342,838		481,176	-
Total Receipts	4,761,275	179,167	6,243,500	115,860
PAYMENTS				
6 Wages, Salaries and Employee Benefits	3,955,935		4,497,765	-
7 Use of Goods and Services	1,319,006		996,373	41,760
9 Purchase of Plant & Equipment	41,053	179,167	7,365	74,100
10 Other Expenditures/Payments	2,315		5,709	-
Total Payments	5,318,309	179,167	5,507,212	115,860
Increase/(Decrease) in Cash	(557,034)		736,288	
Cash at the beginning of the FY	964,074		234,303	



General Auditing Commission
 Financial Statements
 For The Fiscal Year Ended June 30, 2019

Increase/(Decrease) in Cash (557,034)
 Foreign currency translation (12,753)
 difference

Cash at the End of the FY **2** 394,287

736,288
(6,517)

964,074

The accompanying notes are an integral part of the financial statements. The financial statements on page 1 to 11 were approved and signed by management.


 Auditor General,
 General Auditing Commission, Liberia
 Sept. 24, 2019
 Date


 Comptroller,
 General Auditing Commission, Liberia
 September 24, 2019
 Date



Ensuring Accountability of Public Resources





Ensuring Accountability of Public Resources

*General Auditing Commission
Financial Statements
For The Fiscal Year Ended June 30, 2019*

**GENERAL AUDITING COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

- Budget Approved on the Cash Basis

ACCOUNT TITLE/DESCRIPTION	Actual Amount	Final Budget	Original Budget	Difference: Final Budget and Actual	Percentage Variance
	(A) US \$	(B) US \$	(C) US \$	(D) = (B-A) US \$	(E) = (D/B) %
CASH INFLOWS					
Authorized Allocation/Appropriation	4,418,437	5,050,625	5,456,672	632,188	13%
Grants	179,167	-	-	-179,167	-
Other receipts	342,838	-	-	-342,838	-
Total Receipts	4,940,442	5,050,625	5,456,672	110,183	6%
CASH OUTFLOWS					
Wages, Salaries and Employee Benefits	3,955,935	4,622,375	4,622,375	666,440	14%
Goods and Services Consumed (See Note 11)	1,498,173	428,250	834,297	-1,069,923	-250%
Purchase/Construction of Property, Plant, & Equipment	41,053	-	-	-41,053	-
Other Payments	2,315	-	-	-2,315	-
Total Payments	5,497,476	5,050,625	5,456,672	-446,851	-9%
NET CASH FLOWS	(557,034)	-	-	557,034	

* Actual amounts encompass both cash and third party settlements.



Ensuring Accountability of Public Resources



Ensuring Accountability of Public Resources

General Auditing Commission
Financial Statements
For The Fiscal Year Ended June 30, 2019

**GENERAL AUDITING COMMISSION
STATEMENT OF CASH POSITION
AS AT JUNE 30, 2019**

	Currency Held In	Notes	As At June 30, 2019	As At June 30, 2018	Change in Cash Balances
Cash/ Bank Account Details					
Bank Accounts		2			
Guaranty Trust Bank (206600000210) –Operations A/C	USD		11,395	29,361	-17,966
Guaranty Trust Bank (206600000110) –Operations A/C	LRD		8,590	34,150	-25,560
Guaranty Trust Bank (206600000211) –Payroll A/C	USD		12,170	61,240	-49,070
Guaranty Trust Bank (206600000111) –Payroll A/C	LRD		1,477	8,524	-7,047
Guaranty Trust Bank (200000000000)–EU-11 th EDF	USD		330,996	807,597	-476,601
UBA Prepaid Card #1	USD		-	96	-96
UBA Prepaid Card #4	USD		1,906	1,089	817
Total Cash in Banks			366,534	942,057	-575,523
Petty Cash Account					
Petty Cash on Hand	USD		869	644	225
Cash Held By Others For Reimbursement/Refund/Repayment					



Ensuring Accountability of Public Resources



Ensuring Accountability of Public Resources

*General Auditing Commission
Financial Statements
For The Fiscal Year Ended June 30, 2019*

	Currency Held In	Notes	As At June 30, 2019	As At June 30, 2018	Change in Cash Balances
Cash Held In Staff Advances	USD		24,293	9,737	14,556
Cash-In-transit	USD		-	11,636	-11,636
Excess Of Refund On Other Payments By IPFMRP	USD		2,591		2,591
Total Cash Held By Others			26,884	21,373	5,511
Total Cash And Bank Balances			394,287	964,074	-569,787

* All Liberian Dollar amounts are converted at the spot rate.



Ensuring Accountability of Public Resources

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

a) Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Public Finance 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 accounting policies adopted have been consistently used throughout.

b) Reporting Entity

The financial statements are for the GAC. The Commission is an autonomous agency and reports directly to the Legislature of Liberia.

The GAC's principal activity is to conduct audits of all accounts of the Government of Liberia. It controls its own bank accounts with appropriations and other cash receipts being deposited into these accounts as they are received from the Ministry of Finance and Development Planning (MFDP) and other stakeholders.

c) Payments by Other Government Entities

The GAC benefits from payments made on its behalf by its controlling entity (Government of Liberia) and other government entities.

d) Payments by External Third Parties

External third parties (entities external to the economic entity) also make payments on the GAC's behalf for goods and services. These payments do not constitute cash receipts or payments by the Commission, but do benefit the Commission. They are disclosed in the Payments by External Third Parties column in the Statement of Cash Receipts and Payments and in other financial statements.

e) Reporting Currency and Translation of Foreign Currencies

i. Functional and Presentation Currency

The functional currencies are the Liberian Dollar and the United States Dollar and the reporting currency is the United States Dollar. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates. The figures in the Financial Statements are rounded off to the nearest dollar.

ii. Translation of Transactions in Foreign Currency

Foreign currency transactions are translated into United States Dollar using the exchange rates circulated by the Central bank of Liberia (CBL). Closing monetary balances are translated into the reporting currency using the closing rate. The closing rates for the reporting period is 1USD to 193.75LRD. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end are disclosed on the face of the financial statements for reconciliation purpose.

2. Cash at the End of the year

This amount comprises cash available in banks, cash held in salary advances, petty cash balances & cash- in- transit.

	FY 18/19	FY 17/18
	US\$	US\$
Cash Available in Banks	366,534	942,057
Cash Held by others	26,884	9,737
Petty Cash	869	644
Reimbursable Cash-In-transit	-	11,636
Total	394,287	964,074

Below is a summary list of amounts from ending cash balance not available for use to settle operational obligations:

Staff Social Security Withheld	3,291
Vendor Taxes to be remitted	4,711
Total	8,002

3. Authorized Allocations

The total amount of Authorized Allocations received for FY2018/19 is presented below comparatively:

	FY 18/19	FY 17/18
	US\$	US\$
Compensation of Employees	3,958,511	4,500,206
Goods and Services	459,926	429,869
Total	4,418,437	4,930,075

4. External Assistance

The Commission received financial support from the INTOSAI Development Initiative (IDI) for the SAI Young Leaders & SAI Leadership International, the IDI Fighting Corruption Program, IDI SFC review Workshop on Implementation of ISSAI. Under this assistance, the IDI made payment

*General Auditing Commission
Financial Statements
For The Fiscal Year Ended June 30, 2019*

on our behalf. The Long Term Technical Assistance (LTTA) under the EU 11th EDF also made payment on behalf of the Commission.

	FY 18/19	FY 17/18
	US\$	US\$
EU (11 th EDF -LTTA)	146,493	-
EU (11 th EDF -PE)	-	832,249
IPFMRP (Pool Fund)	-	74,100
IDI	32,674	41,760
Total	179,167	948,109

Below is a detail of Undrawn External Assistance.

	Budgeted	Actual	Balance
IPFMRP - AFDB	270,000	74,100	195,900
EU (11 th EDF Project)	2,482,322	501,998	1,980,324
Total	2,752,322	576,098	
Total Undrawn External Assistance			2,176,224

5. Other Receipts

The Commission received fees as reimbursement for audit costs, additional amount from AIDSPAN and other miscellaneous refund. These amounts were received and controlled by the Commission through its bank accounts.

	FY 18/19	FY 17/18
	US\$	US\$
Audit Fees/Cost	335,978	464,662
Miscellaneous Receipts/Refunds	6,860	16,514
Total	342,838	481,176

6. Wages, Salaries and Employee Benefits

This amount represents payment to employees of the GAC as remuneration. For the month of February, the Commission paid supplementary salaries to staff who were not paid in January because these staff did not have National Identification numbers which was a requirement by the MFDP for salary disbursement. The below schedule shows monthly salaries for all GAC staff during the fiscal year under review.

	FY 18/19	FY 17/18
	US\$	US\$
July	362,304	373,125
August	360,203	371,849
September	361,070	380,981
October	364,929	377,723
November	361,754	377,393



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Financial Statements
For The Fiscal Year Ended June 30, 2019*

December	361,078	380,894
January	344,403	379,059
February	15,360	381,245
March	358,386	381,002
April	357,243	380,789
May	354,798	356,656
June	354,407	357,049
Total	3,955,935	4,497,765

7. Use of Goods and Services

In general, all expenses are recognized in the statement of Cash Receipts and Payments when payments are made. Below are the amounts disbursed for goods and services and broken down according to economic classification:

	FY 18/19	FY 17/18
	US\$	US\$
Foreign Travel - Means of Travel	24,029	41,905
Water & Sewage	15,115	13,700
Telephone, Fax, Internet, P&C	52,083	54,327
Fuel & Lubricants – Vehicles & Generators	100,449	28,307
Repair & Maintenance-Vehicles	63,264	12,074
Repair & Maintenance-Machinery, Equipment & Furniture	6,214	8,729
Stationery	9,874	1,075
Printing, Binding & Publication Service	46,880	21,024
News Papers, Books & Periodicals	2,207	2,590
Other Office Materials & Consumables	10,209	3,681
Audit Expense/Fees	420,708	650,752
Entertainment, Representations & GI	9,034	8,426
Subscription (Members Fees & Dues)	14,043	11,193
Legal Dues & Compensations	350	557
Personnel Insurance	80,192	88,285
Vehicle Insurance	27,961	32,562
EU/11th EDF Project-Direct support	436,394	17,186
Total	1,319,006	996,373

The Commission also benefited from other donor projects from which goods and services were procured and advice was remitted to the GAC at the end of the fiscal period. Please see comparative amount stated below:

	FY 18/19	FY 17/18
	US\$	US\$
IDI Support	32,647	41,760
Total	32,647	41,760

Grand Total

1,351,653

1,038,133

9. Purchase/Construction of Property, Plant, and Equipment

The GAC maintains at historical costs a memorandum record in its Fixed Asset Registry for all of its non-current assets.

There were purchases made under the EU/ 11th EDF Project on fixed assets. The purchase of server and accessories for IT Upgrade, Upgrade of Corporate IT and a Website. Schedule of the aforementioned items is provided below:

	FY 18/19	FY 17/18
	US\$	US\$
Capital Expenditure		
IPFMRP	-	74,100
EU/ 11 th EDF Project	41,053	7,365
Total	41,053	81,465

10. Other Expenditure/ Payments

The GAC incurred bank service charges, exchange losses/gains from operational transactions and pass-through cash flow paid in by Mutual Benefit Assurance for injured staffs that are not enshrined in its operational budget. These outflows are summarized as other payments.

	FY 18/19	FY 17/18
	US\$	US\$
Bank Charges	2,983	2,657
Exchange Losses/gains	-667	3,052
Total	2,315	5,709

11. Statement of Comparison of Budget and Actual Amounts

The budget figures include the GAC's controlled amounts and third party settlements. Due to the usual carryover of cash to settle obligations from previous period and the actual expenditure of the EU 11th EDF project in goods and services and the acquisition of fixed assets exceeded the budget by -250%.

12. Liabilities and Commitments

At the close of the fiscal year, the GAC's total liability position was US\$2,131,044. Of this amount, US\$1,979,575 represents the Commission's accrued total contribution (4.75%) to the National Social Security and Welfare Corporation (NASSCORP), while US\$153,469 represents commitments to vendors for goods and services provided. The Commission has placed in its 2019/2020 fiscal year budget its employee contribution liability to NASSCORP which has been accruing over the years.



APPENDICES

APPENDIX 1 - Liabilities and Outstanding Commitments for fiscal Year ended June 30, 2019			
No.	Economic Classification	Currency	
1	Subscription	US\$	2,023
2	Printing, Binding and Publications	US\$	26,957
3	Entertainment	US\$	300
4	Repair Maintenance Vehicles	US\$	28,852
5	Audit Expenses	US\$	64,899
6	Fuel & Lubricants	US\$	10,700
7	Office Material and Consumables	US\$	339
8	Water and Sewage	US\$	985
9	Personnel Insurance	US\$	18,414
10	NASSCORP Liability	US\$	1,979,575
GRAND TOTAL			2,133,044

**APPENDIX 2 - DETAILS OF FIXED ASSET PAYMENTS DURING THE PERIOD 1ST JULY
 2018 - 30TH JUNE 2019**

Date	Fixed Asset Type	Qty	Description	Amount US \$
1	ICT Equipment	Assorted	Server and Accessories' (EU Project)	21,720
2	ICT Equipment	1	QNAP-TS 863U (EU Project)	6,250
3	ICT Equipment	3	CISCO Catalyst-2960-L (EU Project)	4,800
4	Website	1	Development of New Website	5,146
5	ICT Equipment	1	Synology 8Bay NAS Disk Station	3,137
GRAND TOTAL				41,053