



Promoting Accountability of Public Resources

ANNUAL REPORT OF THE AUDITOR GENERAL

FOR THE YEAR ENDED
DECEMBER 31, 2020



ANNUAL 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

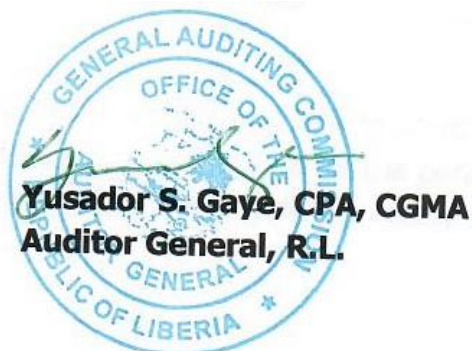
The Honorable Speaker
Members of the Legislature

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 2020.

This report highlights our performances, and I hope you will find it important in that it explains in detail how we met our key performance indicators as an institution in addition to other services that we delivered during the year.

Sincerely,



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



Table of Contents

ACRONYMS AND ABBREVIATIONS	5
Vision, Mission and Core Values	6
Our Vision.....	6
Our Mission	6
Our Core Values	6
Strategic Goals.....	6
ACKNOWLEDGEMENT	7
MESSAGE FROM THE AUDITOR-GENERAL	9
1 CHAPTER 1: ABOUT THE GAC	10
1.1 Background	10
1.2 GAC's Mandate – Duties of the Auditor General (2014 Act)	10
1.3 Organizational Structure of the GAC.....	11
2 CHAPTER 2: PROGRESS ON THE IMPLEMENTATION OF THE STRATEGIC PLAN 2016 – 2020	13
2.1 Overview of the Strategy Performance	13
2.2 The Goals and Outcomes of the Strategic Plan.....	13
2.3 Progress in the implementation of the Strategic Goals, in the fulfillment of its Outcomes.	13
2.3.1 Strategic Goal 1: Greater Impact of GAC's Audit Recommendations	14
2.3.2 Strategic Goal 2: Increased Trust in GAC as a Credible Organization	16
2.3.3 Strategic Goal 3: High Performing GAC.....	18
2.4 Summary of GAC's Key Challenges.....	21
2.5 2.5 EU 11th EDF Support to the Implementation of the GAC Strategic Plan 2016 – 2020.....	22
2.5.1 Programme Estimate	23
2.5.2 LTTA Service Contract	23
2.6 New Successive Strategic Plan 2021 – 2025.....	25
2.6.1 Overview	25



2.6.2	GAC Vision, Mission and Core Values.....	25
2.6.3	Overall Outcome and Strategic Goals and Objectives for 2021 – 2025.....	26
3	CHAPTER 3: AUDIT ACTIVITIES.....	28
3.1	Audit Engagements 2020	28
3.2	Annual Appropriation for Audit.....	47
4	CHAPTER 4: ADMINISTRATION ACTIVITIES	48
4.1	Human Resources	48
4.2	Upgrade in Information and Communication Technology (ICT).....	52
4.3	Communication and Stakeholders Engagement	54
4.4	Affiliation with Professional Organizations.....	55
4.5	Assets to Support the Audit Operations	55
4.6	Financial Management and Budget Performance	56



ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AFROSAI	African Organization of Supreme Audit Institutions
AFROSAI-E	African Organization of English-speaking Supreme Audit Institutions
AG	Auditor General
BOA	Bureau of Audit
CBS	Capacity-Building Strategy
DAG	Deputy Auditor General
EDF	European Development Fund
EU	European Union
GAC	General Auditing Commission
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoL	Government of Liberia
HR	Human Resources
ICBF	Institutional Capacity-Building Framework
IDI	INTOSAI Development Initiative
IFMIS	Integrated Financial Management Information System
INTOSAI	International Organization of Supreme Audit Institutions
IPFMRP	Integrated Public Financial Management Reform Project
ISSAI	International Standards of Supreme Audit Institutions
MIC	Management Internal Control
OAG	Office of the Auditor General
PAC	Public Accounts, Expenditures and Audit Committee
PE	Programme Estimate
PFM	Public Financial Management
PMS	Performance Management System
PPCC	Public Procurement and Concessions Commission
QA	Quality Assurance
SIDA	Swedish International Development Cooperation Agency
SNAO	Swedish National Audit Office
SP	Strategic Plan
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 appreciation to His Excellency George Manneh Weah, President of the Republic of Liberia, for his support to the Commission during the year 2020.

Our esteemed stakeholders, especially the civil society organizations, the Media and other stakeholders, supported us immensely during the year. Their support created an enabling environment so that we could carry out our constitutional mandate as outlined in the GAC Act, 2014. We remain grateful and pledge to remain steadfast in our responsibility.

I also extend thanks and appreciation to the Honorable Speaker and members of the Legislature and the Joint Chairmen of the Public Accounts, Expenditure and Audit Committee (PAC) of the Legislature for their continuous support to the GAC. By deliberating on the various audit reports that were tabled before the Legislature, the PAC has given us an even greater resolve to perform our duties with renewed vigor.

The success of the GAC would not have been possible in the absence of the cooperation of our auditees. In this regard, we are grateful to the management teams and staff of the audited entities for their compliance and cooperation during their respective audit exercises.

Special appreciation also goes to our donor and development partners for their financial and other forms of support as we strive to promote accountability and transparency in the use of Liberia's public resources. We are grateful to the European Union (EU) through its 11th European Development Fund (EDF) support that financed the implementation of the GAC's three-year Capacity Building Strategy (CBS) and the Stakeholders' Engagement Strategy (SES) and various institutional and infrastructural interventions was of immense help in augmenting the GAC operational support from the national government. The Multi-donor Pool Fund supported by World Bank, African Development Bank (AfDB) and other partners and administered by the Public Financial Management Reforms for Institutional Strengthening Project (IPFMRP) also continued to provide invaluable support to the Commission.

The International Organization of Supreme Audit Institutions (INTOSAI) and its regional extensions including the African Organization of Supreme Audit Institutions (AFROSAI) and its sub-body for English-speaking countries (AFROSAI-E) played significant role in supporting our operations during the year. These organizations contributed to the enhancement of capacity at the GAC, and at the same time ensured that the Commission remained up-to-date with current development in the auditing fraternity. The GAC also continues to collaborate with the INTOSAI Development Initiative (IDI), the Swedish National Audit Office (SNAO) and other donors and development partners whose support to the Commission is of immense importance.

I would not have succeeded without the support of my two hardworking deputies, Hon. Winsley S. Nanka, CPA, Deputy Auditor General (DAG) for Audit Services, and Hon. Foday G. Kiazolu,



FCCA, DAG Administration for painstakingly working alongside me during the year ended. I would also wish to appreciate the efforts of Mr. John L. Greaves II, CMA for his oversight role within the GAC Administration Department. This has, to a greater extent, helped to ensure fiscal rectitude in the public sector.

Finally but importantly, my sincere gratitude goes to the GAC staff who worked tirelessly with Management to ensure the plausible attainment of the Commission's goals for the year 2020.



MESSAGE FROM THE AUDITOR-GENERAL

It is my pleasure to present the 2020 Annual Performance Report of the Office of the Auditor General (OAG) of the Republic of Liberia. The Auditor General (AG) is the auditor of all public accounts and public funds of the Republic of Liberia.

2020 was laced with mixed results, because of the outbreak of COVID-19 Pandemic which affected the entire globe. The effect of this outbreak reduced our performance, but ultimately, we were able to make some gains in the execution of our Mandate.

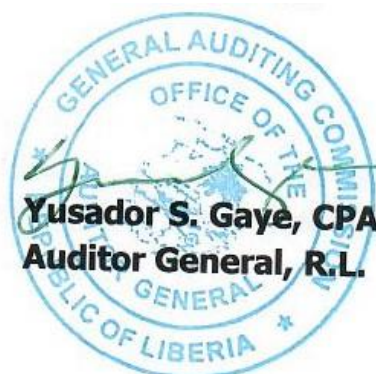
Although this is an annual report for the year 2020, we have taken up great care to detail the strides made during the strategic period of 2016-2020, the period of the current GAC Strategic Plan. Hence, this report explains the performance of the GAC in the implementation of its Strategic Plan 2016 – 2020, which serves as a roadmap and working tool for the achievement of its Mandate during the years aforementioned. Since the adoption of the Strategic Plan 2016 – 2020, our activities have gathered remarkable momentum in pursuit of our collective goals as we strive to serve the Liberian public.

The GAC issued a total of forty-three (43) audit reports in 2020, and another forty-one (41) audits were ongoing at the end of the year. Seventeen (17) of these audits were for MACs and twenty-six (26) were issued for various project audits. The audits can also be categorized as five (5) Financial Audits, nine (9) Compliance Audits, two (2) Performance Audits, one stand-alone IT Audit and twenty-six (26) project financial statement audits.

Also, at the close of 2020, the third Strategic Plan (SP) for the period 2021 – 2025 was successfully completed, and the Plan centers around five strategic goals. I am extremely honored and pleased that the GAC's internal as well as external stakeholders hugely made their contributions to such a worthy cause.

It has been and will continue to be, a pleasure for me to serve the Liberian citizenry in the promotion of 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 entity created under Article 89 of the 1986 Constitution of Liberia. It is the external public sector auditor and Supreme Audit Institution (SAI) of the Republic of Liberia. As provided under the aforementioned section of the Liberian constitution, the functions and operations of the GAC are detailed in the GAC Act of 2014 which, by its enactment, repealed Chapter 53 of the Executive Law of 1972 and all existing legislations. The Act strengthens the Legislative oversight of the Government regarding the management of public resources. The Commission carries out independent audits and reports its 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's 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) (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 constitutional 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 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, he/she functions as the auditor of the public accounts and public funds of the Republic of Liberia.

In line with 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 Enterprises and Special Audits is responsible for the other two (2) audit directories. The directors supervise managers who are of various ranks/grades.

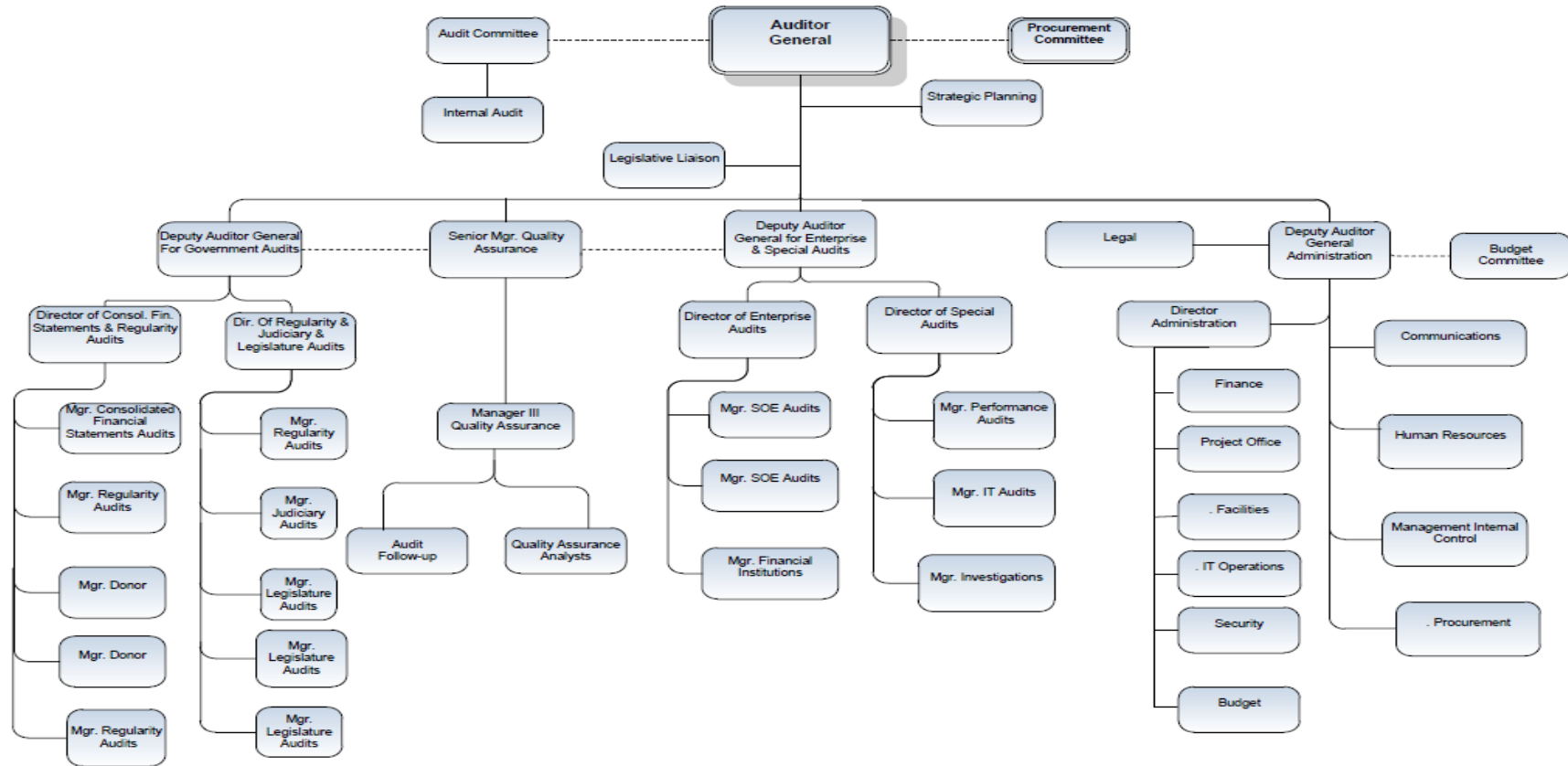
The Deputy Auditor General for Administration is responsible for the Administrative Department which comprises eleven (11) support/corporate units. The approved GAC Organizational Structure is illustrated below.



ORGANOGRAM

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

ORGANIZATION CHART Revised 01/01/2020



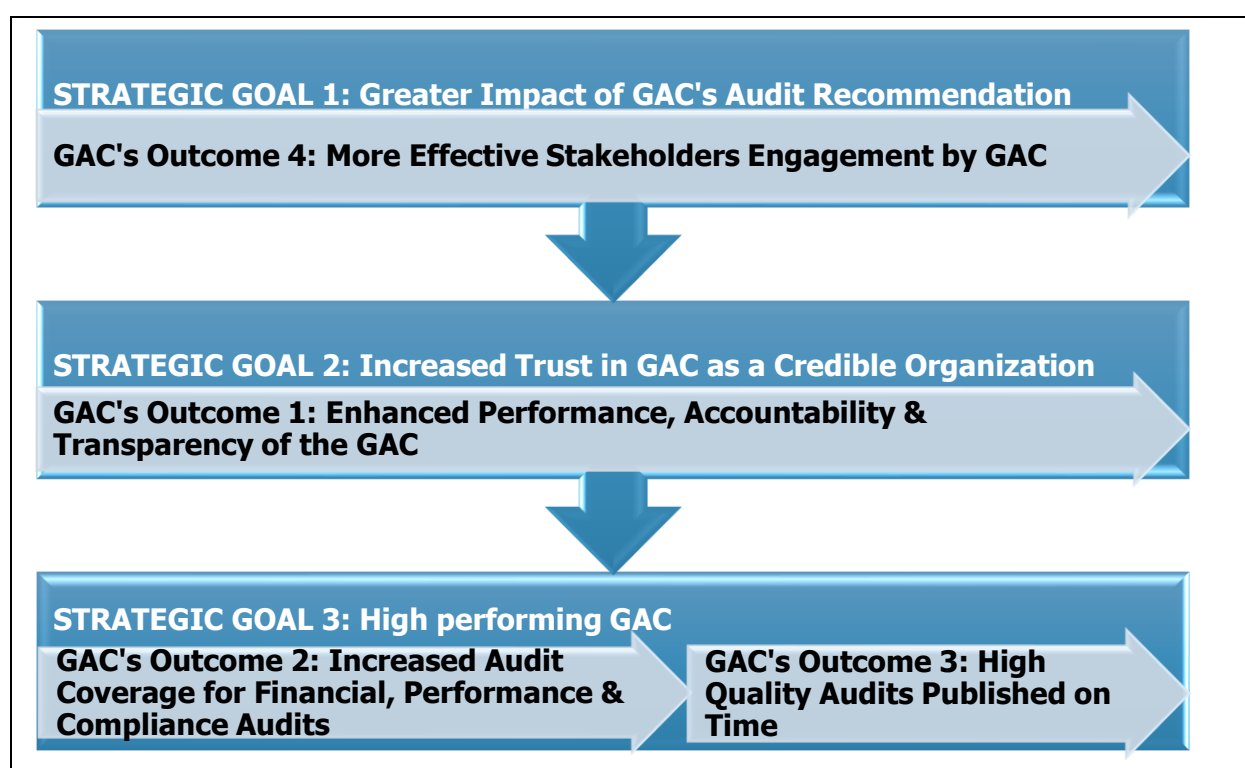
2 CHAPTER 2: PROGRESS ON THE IMPLEMENTATION OF THE STRATEGIC PLAN 2016 – 2020

2.1 Overview of the Strategy Performance

Implementation of the GAC's Strategic Plan (SP) 2016 – 2020 ended on 31st December 2020. The SP had three strategic goals which were foreseen to enable the GAC accomplish four outcomes. The implementation of each strategic goal will lead to the achievement of one or more of four outcomes.

2.2 The Goals and Outcomes of the Strategic Plan

The strategic goals were the key interventions for the fulfilment of the four outcomes that we believe are required to attain our Mission and Vision. The three goals and related four outcomes are:



Included in this Annual Performance Report of the Auditor General is the progress, up to the end of 2020, relative to the expected key outcomes of each of the strategic goals. Each goal is linked to the achievement of one or more outcomes.

2.3 Progress in the implementation of the Strategic Goals, in the fulfillment of its Outcomes

Details of GAC's Strategy performance for the reporting period are summarized below on a goal basis:

2.3.1 Strategic Goal 1: Greater Impact of GAC's Audit Recommendations

The implementation of Strategic Goal 1, led to the identification of six Operational Objectives, which will reflect the GAC's performance in the fulfillment of Outcome 4, as enshrined in the SP: for more effective stakeholders' engagement in order to realize greater audit impact and enhance the credibility of its recommendations.

The Table Below Highlights Performance of Operational Objectives Under Goal 1:

OPERATIONAL OBJECTIVES	PROGRESS MADE FROM JANUARY 1, 2016 – JUNE 30, 2020
<p>Operational Objective 1.1: To place great emphasis on the widening of audit coverage</p>	<p>In 2018 and 2019, the GAC placed more emphasis on audit coverage through engagement with its stakeholders in an effort to have them involved in the audit process. By this means, the Commission continued to focus on increasing the score of its audit coverage so that more institutions of government, including state-owned enterprises, were audited. The major/large State-Owned Enterprises (SOEs) were audited during this period in order to keep them up to date. Also, more development partner/donor projects were audited as external stakeholders continued to see the Country's SAI as their preferred auditor.</p> <p>The GAC held discussions with the African Development Bank (AfDB) in 2019 to explore the possibility of auditing of 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 (WB) projects that the Commission conducts annually. In addition, the Global Fund is considering having its projects in Liberia audited by the GAC consistent with what is done in some countries within the sub-region.</p>
<p>Operational Objective 1.2: Arriving at relevant and robust audit recommendations</p>	<p>Emphasis was placed on the preparation of reports in more user-friendly language and format consistent with the requirements of INTOSAI P-12, 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 some communication staff were trained on how to ensure audit reports were effectively communicated through the use of simple language and pictorial presentations. Also, schedules were finalized and included in each report, detailing recommendations from previous audits which needed implementation.</p> <p>Management made provision in its audit reports to track recommendations that have been made in previous audit reports, highlighting the level of implementation that had been made as at the dates the new reports were issued. GAC attended public hearings to brief the Legislature and the public on the importance of the implementation of audit recommendations. The Management of GAC also provided expert opinion during the PAC's public hearings upon request by the Committee.</p>
<p>Operational Objective 1.3: Enhanced engagement both</p>	<p>Engagement workshops and follow-ups were held with clients, the Media, civil society organizations (CSOs), integrity organizations, educational</p>



<p>with internal and external stakeholders to facilitate wider acceptance and faster implementation of the GAC audit recommendations</p>	<p>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> <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 auditees. Further, the GAC's managers were trained on client relationship management, while top management was also trained on how to relate to the media.</p> <p>These activities were part of the implementation process of the GAC's Stakeholders Engagement Strategy which was drawn from the Commission's Strategic Plan 2016-2020.</p>
<p>Operational Objective 1.4: Improving the quality of its audits, by implementing ISSAIs in its audit work, in order to expand the type of audits the Commission conducts and to strengthen audit procedure across audit specialism (i.e. Regularity (Financial and Compliance), Performance, IT, Investigations, etc.)</p>	<p>Greater emphasis was placed on audits being ISSAI compliant. To this end, arrangements were made with the SNAO for the establishment of an independent QA function within the GAC. The result has been audit recommendations that add more value to clients' operations.</p> <p>With more focus on all types of audits being compliant 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 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 could lead to improvement in the lives of the citizens.</p>
<p>Operational Objective 1.5: To develop and implement a stakeholders' engagement strategy that enhances GAC's interaction with internal stakeholders and key external stakeholders, mainly the audited entities</p>	<p>Based on the outcome of the stakeholders' mapping, the GAC completed the development of the Stakeholders Engagement Strategy (SES) as a working tool for interaction with internal stakeholders and key external stakeholders, mainly the audited entities.</p> <p>The GAC held engagement workshops, and follow-up consultative workshops/panel discussions with clients (auditees), the Media, civil society organizations (CSOs), integrity organizations, donor and development partners, educational institutions and other relevant stakeholders. This exercise was aimed at increasing the knowledge of the role and Mandate of the GAC and enhancing the collaboration amongst stakeholders which the institution envisages will ultimately contribute to improvement in public sector financial management. In addition, through the EU 11th EDF support, the GAC developed a Clients' Relations Management Strategy which was aimed at enhancing the Commission's relationship with its clients. Further, training on clients' relationship was provided for the GAC's managers, while Top Management was also trained on how to interact with the media. These</p>



	<p>activities were part of implementation document of the SES which was drawn from the GAC's Strategic Plan 2016-2020.</p> <p>The GAC focused on sharing knowledge with both internal and external stakeholders. To this end, the GAC staff benefited from several trainings for personnel by colleagues who possess the requisite expertise, or by external experts hired through various means by the SAI. Specialized trainings were carried out to cover Financial, Compliance, Performance and IT audits, while Administrative staff also benefited from trainings both in and out of Liberia. Staff continued their journeys to be professionally certified, thereby making significant progress in their areas of work. Manages foresees that this initiative will ultimately increase the value that auditors will add to clients' operations and in the process improve the overall financial management and governance system across the Government of Liberia.</p>
<p>Operational Objective 1.6: Establishing appropriate follow up mechanisms to monitor the implementation of the GAC audit recommendations by auditees and follow up on actions taken by the Government</p>	<p>In 2019, the GAC developed a framework for following up on audit recommendations. In 2020, the Commission finalized the drafting of the follow-up policy to monitor the implementation of audit recommendations.</p>

2.3.2 Strategic Goal 2: Increased Trust in GAC as a Credible Organization

The GAC targeted five operational objectives relative to the implementation of Strategic Goal 2, the details of which are mentioned below.

The Table Below Highlights Performance of Operational Objectives Under Goal 2:

OPERATIONAL OBJECTIVES	PROGRESS MADE FROM JANUARY 1, 2016 – JUNE 30, 2020
<p>Operational Objective 2.1: To set an example of good governance by being accountable, transparent and in adherence to the rule of law within the GAC</p>	<p>The GAC's Management resolved to lead by example by upholding the principles of good governance, and as such, the Commission accounts were audited twice by the Office of Auditor General, Kenya. The Commission was also peer-reviewed twice by a team which comprised experts from 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 to achieve its Mandate by improving its audit service delivery in the public sector. Also, several policies were developed and updated in line with a modern SAI such as the (1) HR's Policies and Procedure Manuals (2) Policy on Follow-up of Audit Recommendations (3) Communication Policy (4) Quality Assurance Manual and (5) Audit manuals for financial, compliance, IT and performance audits.</p> <p>These policies and procedures are being communicated to all staff. In December 2019, the GAC launched an automated Performance</p>



	<p>Measurement System (PMS) that will record data for staff's daily attendance and appraisal. Also, all staff sign off and commit to adhere to the Commission's Code of Ethics upon recruitment and before the commencement of each audit engagement as required in the respective audit manuals and guidance.</p>
<p>Operational Objective 2.2: Promote knowledge sharing and learning, including quality services and capacity building</p>	<p>The GAC identified skills of its staff and developed a Staff Professionalization and Capacity Building Strategy (2016-2018). In 2016, the Commission started the implementation of its Staff Professionalization and Capacity Building Strategy of both auditors and support staff. Staff were vetted and listed for various certification programs and other relevant trainings. Effort was made for training and professionalization at different levels.</p> <p>The GAC focused on sharing knowledge with both internal and external stakeholders. Several trainings were conducted for personnel by colleagues who possess the requisite expertise, or by external experts 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 the Country.</p> <p>The GAC's staff continued their journeys to professional certification, thus making significant progress in their areas of work. 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>
<p>Operational Objective 2.3: Strengthen financial management systems and effective internal control system at GAC</p>	<p>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 GAC'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 Commission's 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.</p> <p>In order to lead by example (ISSAI 12, Principle 10) the AG underscored the need for an effective corporate governance structure which includes an efficient and effective internal control structure. To achieve this, Management hired two professionals to replace outgoing heads in its Internal Control and Internal Audit functions. The objective of putting into place these measures is to improve the overall governance and financial management process of the GAC so as to enhance its efforts aimed at serving as a model</p>



	organization when it comes to financial management in the public sector.
Operational Objective 2.4: To engage in advocacy and outreach activities to enhance stakeholders' understanding of the work of the GAC	<p>The GAC's Communication Unit coordinated stakeholders outreach activities as a means of enhancing, and at the same time measuring, the impact the Commission's work has had on interested parties.</p> <p>During the period under review, the GAC held outreach activities by visiting schools and university campuses to enlighten the minds of students on the importance of promoting accountability and transparency in Liberia.</p>
Operational Objective 2.5: To assess performance, thereby determining resource allocation and effective resource mobilization strategies	<p>The GAC Management allocated resources to determine the institution's priority needs, its optimal level of resource allocation and how funds could be mobilized. Resource mobilization projects were developed to help the GAC attract donor partners funding in order to support some of its activities.</p> <p>Despite insufficient funding to implement audit activities, the Management of the GAC directed its resources to their ideal 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. The recommendations in these reports will be used to improve the financial management structures that are in place at the auditees' institutions, and at the same time contribute to improving governance in the public sector.</p>

2.3.3 Strategic Goal 3: High Performing GAC

Under **Strategic Goal 3**, five operational objectives, which will reflect the GAC's performance in the fulfillment of **Outcome 2 and Outcome 3**, were identified and implemented during the strategic period.

The Table Below Highlights Performance of Operational Objectives Under Goal 3:

OPERATIONAL OBJECTIVES	PROGRESS MADE FROM JANUARY 1, 2016 – JUNE 30, 2020
Operational Objective 3.1: Increase audit coverage both in terms of the types of audits conducted and the quality of its audit processes and products.	<u>Audit Coverage</u> - The GAC increased its audit coverage so that more institutions of government, especially ministries, agencies and commissions including the state-owned enterprises, would be audited. It used its risk matrix which focused on increasing the Commission's audit coverage by considering other entities which had not been previously audited or needed to be audited for more fiscal years thereby making them current. Coverage was also expanded to include more donor support projects and other special projects across Government.



	<p>Particular attention was given to enhancing the capacity of staff in the GAC Performance Audit Unit so that to increase the number and types of audit reports that are produced by the Commission. Staff were also trained in the implementation protocols of a number of institutions, including the Global Fund/AIDSPAN, so that audits of their project supports to Liberia could be conducted by the GAC.</p> <p><u>Joint Audits</u> – the GAC conducted a number of joint audits in collaboration with PwC, and these audits helped to contribute to an increase in audit coverage and at the same time enhanced the skills of its personnel.</p> <p><u>Audit Planning for Optimal Result</u> – Considering the limited amount of resources available, and taking valuable insights from its external audit conducted by the OAG Kenya, the GAC has enhanced its approach to audit planning. This means that although all public funds need to be audited, the GAC can use its audit risk matrix to select those audits that appeal to the widest range of stakeholders and then conduct and report on them in an efficient and timely manner.</p>
<p>Operational Objective 3.2: To enhance and implement a Quality Assurance Management System for all types of audits by setting clear policies, procedures and rules in line with INTOSAI/ AFROSAI-E guidelines</p>	<p>The GAC has made efforts in enhancing and implementing Quality Assurance System for all types of audit to be ISSAI compliant. The Commission customized the AFROSAI-E Template Manuals for the three types of audits for financial, compliance and performance audits to its local context.</p> <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 improvement in service delivery in the public sector.</p>
<p>Operational Objective 3.3: To enhance and implement risk-based audits using modern audit techniques and methodologies in various specialism</p>	<p>The GAC reinforced the use of modern audit methodologies and techniques for all types of audits. Also, based on the risk matrix, the GAC developed a five-year audit plan and completed audit of 157 audits entities and programs.</p> <p>The GAC conducted a risk-based auditing and followed the step by step approach of auditing which included planning, execution, field work and reporting. The risk-based audit methodologies, tools, principles and standards are applied consistently throughout the audit process.</p> <p>The GAC developed a detailed list of risk-based selected audits of audited entities for audits based on perceived risks, stakeholders' concerns, and follow-up reviews of previously audited areas with</p>



	<p>significant control weaknesses. Based on its risk matrix, the GAC developed a five-year Strategic Audit Plan which set out audit priorities through which an Annual Audit Universe is developed and embedded in the operational plans annually.</p>
<p>Operational Objective 3:4 To deliver quality audit reports and services on a timely basis so as to promote accountability and transparency in the public sector</p>	<p>During the strategic period, the GAC completed a total 199 audits. Of this number, 120 audit reports were issued for MACs (financial statement, compliance, performance, stand-alone IT audits and special investigations) and 79 reports were issued for donor projects financial statement audits.</p> <p>As a result of the quality and timeliness of the GAC's audit reports, the audited entities are now more cooperative during the audit process; stakeholders engagement have also helped to erase bad perception about the GAC's work with more emphasis being made on the audit being a value-adding process . Also, development partners/donors are now more inclined to the Commission's auditing their project and other support programs. During the period, the AfDB and Global Fund made commitments to have the GAC audit their projects in Liberia; this was in addition to the World Bank whose projects the GAC has audited for the past years, as well as USAID with which the GAC entered into an agreement in 2017 to audit its projects in Liberia. Also, several World Bank's Aide Memoires rate GAC's performance as satisfactory. During the period, the USAID expressed satisfaction with the GAC's work and requested that an existing MoU with the GAC be reactivated.</p>
<p>Operational Objective 3.5: Infrastructure development (including IT) to create conducive working environment for staff</p>	<p>Despite the financial constraints, the GAC Management made significant progress to address the infrastructure issues including the physical infrastructure (the Old Executive Mansion) in which the Commission operates. Several key sections of the building were refurbished in order to create a conducive working environment for staff. At the same time, infrastructural matters such as the procurement of IT equipment (laptops, servers, networking equipment, etc.) and other equipment, including a few vehicles were prioritized and addressed.</p> <p>Currently, the GAC's has 322 employees, and is headquartered at the Old Executive Mansion on Ashmun Street. The GAC's Audit Department continues to receive support from Administrative staff that help to support operational activities and effectively maintain its assets and infrastructure.</p> <p>Despite of all the constraints, significant progress was made to refurbish the office to enhance the conduciveness of the working environment for staff. During the period, the GAC procured some</p>



	<p>laptops to increase the number in its pool for auditors so as to help reduce the pressing need for these essential working tools. With World Bank support, the Commission procured a 275 KVA diesel generator as well as office furniture and other equipment. These items include but not limited to office desks, chairs, air conditioners, binding machines, printers, electronic typewriters, and other essential assets.</p> <p>Also, the HR Unit's long standing plan to recondition the Resource Center was launched and was at 80% completion at the close of the year under review. New book shelves and boxes were mounted to enhance the movement of documents to the archives.</p>
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2.4 Summary of GAC's Key Challenges

The GAC has been faced with numerous challenges which impeded the implementation of the Strategic Plan 2016 – 2020. Below are some of the challenges observed during the past five years placed into relevant categories:

1. Audit Services

- Mandate and role of the GAC not fully explained in the Liberian Constitution
- Resource constraints which resulted to low audit coverage and other operational and administrative challenges.
- Mixed public perception
- Inadequate cooperation from some auditees
- Delay in the submission of audit documents by auditees
- Poor documentation by auditees
- Delays in response to audit queries
- Failure to implement audit recommendations

2. Human Resources

- Difficulties in retaining experienced staff due to uncompetitive compensation packages
- Constraints in attracting skilled professional staff
- Huge capacity gaps in professional certification

3. Tools & Equipment

Inadequate essential tools due to funding challenges:

- Laptop and desktop computers
- Printers
- Scanners
- Vehicles

4. Critical Infrastructure

Inadequate funding to acquire:

- IT Systems
- Office Building

5. Funding Constrains and Financial Independence

- Limited funding (Budgetary Appropriation)
- Inadequate budget to support GAC's operations and programs
- Challenge in operationalising financial independence per the GAC Act of 2014.

6. Other Challenges Experienced During the Year

Due to the breakout of the COVID 19 pandemic, staff were asked to work from home. As a result, the GAC was unable to complete most of its audits as most of these audits have field verification components which must be carried out before reports can be finalized. Other activities detailed in the Commission's annual operational plan for FY 2019-2020 were also adversely affected as a result of the pandemic.

2.5 2.5 EU 11th EDF Support to the Implementation of the GAC Strategic Plan 2016 – 2020

The current EDF support dawned in December 2016 with the signing of a Financing Agreement (FA) between the EU and the Government of Liberia. Its Implementation Phase was from October 2017 to December 2020, and the Closure Phase will be concluding in August 2021.

The Project leveraged on the GAC Strategic Plan 2016-2020, and its main objective was 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 was relevant for the United Nations 2030 Agenda for Sustainable Development, and the results contribute 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".

The two main components of the Project "GAC makes progress in becoming a credible and effective SAI" and "Strengthened relationships with stakeholders" were 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 Project:



2.5.1 Programme Estimate

- a. Consultative workshops held with auditees, the PAC, integrity institutions, CSOs and the Media on during the lifetime of the Project. By positively engaging with these stakeholders, the GAC was able to join efforts with relevant institutions in promoting accountability of public resources and at the same time make a difference in the lives of stakeholders which the institution cannot by itself reach out to.
- b. Massive upgrade to the GAC ICT infrastructure – the development of a new website for the Commission, the deployment of a PABX internal telephone system, 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), an IT personnel were certified as Microsoft Certified Solution Associate (MCSA) and a Microsoft Technology Associate (MTA), while another qualified as Certified Secured Web Application Engineer; several audit staff made significant progress in being qualified as Certified Accounting Technicians (CAT) 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.

2.5.2 LTTA Service Contract

The following were achievements made under the LTTA Service Contract:

- a. AFROSAI-E Financial and Compliance Audit Manuals customized by an expert and the customized manuals are now being used to conduct audits.
- 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 GAC Performance Management System (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, and this will be used as a basis for future capacity building activities.
- 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. Hired an expert to conduct training and streamline the GAC planning and budgeting systems and to develop new processes as necessary.
- 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. Facilitated the conduct of a workshop 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 New Successive Strategic Plan 2021 – 2025

2.6.1 Overview

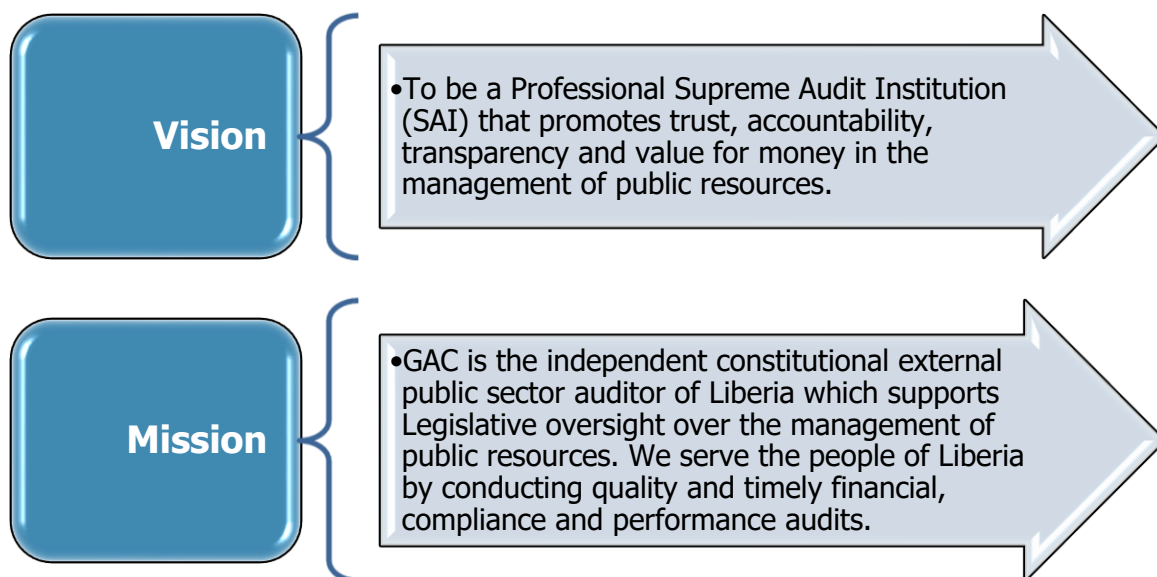
With the current strategic plan (SP) ending in December 2020, it was expedient that the GAC prepared a new plan for the next five years (2021-2025).

In the formulation of the new strategic plan for the GAC, the Management Team adopted an interactive approach which ensured that the various units and departments as well as internal and external stakeholders were engaged so that the plan is inclusive and clearly defines the collective aspirations of the various stakeholders. A review of the performance on the previous plan and other performance reports were considered to ensure continuity between the previous strategy and the new one. In this new SP, a roadmap has been

prepared with clear key performance indicators (KPI) to be measured as well as the financial forecast for key initiatives.

Below is the structure of the SP 2021-2025:

2.6.2 GAC Vision, Mission and Core Values



GAC Core Values

Integrity	We are honest and have strong moral principles
Transparency	We will do our work with no malice and be truthful to all stakeholders
Independence	We will always demonstrate freedom from influence in appearance and deed
Professionalism	We will hold high the ethics expected of an SAI and the qualities of trained and skilled people
Diversity	We are inclusive and respect individual differences

2.6.3 Overall Outcome and Strategic Goals and Objectives for 2021 – 2025

The overall outcome of the Plan is that the GAC attains an Institutional Capacity Building Framework (ICBF) score of 3.5 at the end of the strategic period. The ICBF is an annual self-assessment tool that is used by SAIs within the AFROSAI-E region to measure their capacities in five vital domains: Independence and Legal Framework, Organization and Management, Human Resources, Audit Standards and Methodology and Communication and Stakeholders Management.

Five goals have been documented in the SP, with a number of objectives identified to ensure that the Plan is successfully implemented. Below is a summary of the goals and what the GAC seeks to achieve during the strategic period:

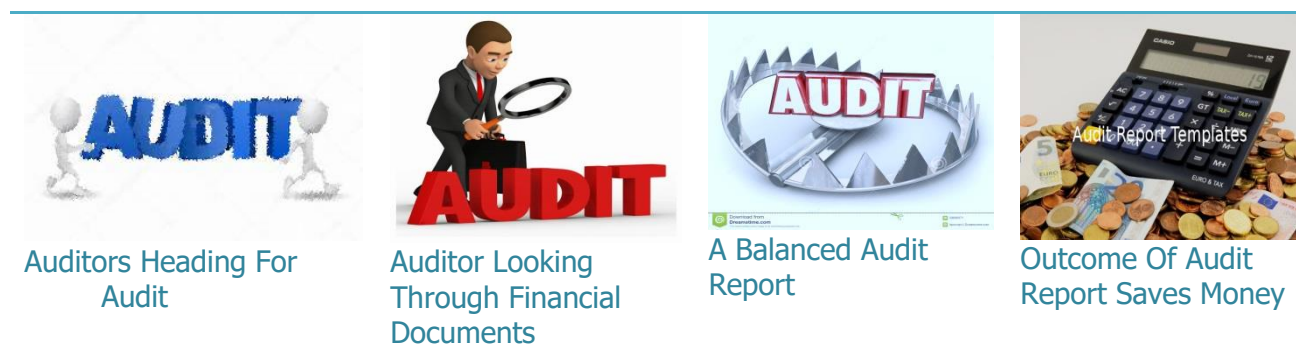
- **Goal 1- Audit Transformation** – Increase audit coverage by 80% and achieve 20% professional staff in audit; fully incorporate the GAC Mandate in the Liberian Constitution
 - ✓ **Objective 1:** Implement a Robust Follow-up Mechanism
 - ✓ **Objective 2:** Implement Training Outcome
 - ✓ **Objective 3:** Strengthen the Quality Assurance (QA) Function
 - ✓ **Objective 4:** Upskill Third Parties and Auditees
 - ✓ **Objective 5:** Operationalize Outsourcing Policy
 - ✓ **Objective 6:** Build Capacity of Auditors and Ensure Adequate Resourcing
 - ✓ **Objective 7:** Develop an Audit Strategy
- **Goal 2 – Operationalize Financial Independence** – Innovatively source for alternative funding and leverage relationships to fully access statutory funds.
 - ✓ **Objective 1:** Leverage Relationships with the Legislature to Increase Statutory Funding
 - ✓ **Objective 2:** Partner Developmental/ Donor Partners in Funding Activities
 - ✓ **Objective 3:** Engagements with SOEs
- **Goal 3 - Enhanced Communication & Stakeholder Engagement** – Educate Liberians on the GAC's Mandate and be the voice of professionalism.



- ✓ **Objective 1:** Leverage Technology in Communication and Stakeholder Engagements
 - ✓ **Objective 2:** Enhanced Collaboration with Key Stakeholders
 - ✓ **Objective 3:** Build an Effective Communications Team
- **Goal 4 - Leverage IT & Digital – Digitize 85% of GAC operations to achieve efficiency through technology.**
- ✓ **Objective 1:** Strengthen GAC's IT Governance Structures and Processes
 - ✓ **Objective 2:** Leverage Digital Solutions to Automate Audit Processes and Other Manual Internal Processes
 - ✓ **Objective 3:** Improve IT Service Management Across the Organization
 - ✓ **Objective 4:** Develop a Robust IT Infrastructure to Support the Delivery of IT Services, Security and Resilience
 - ✓ **Objective 5:** Develop an IT strategy
- **Goal 5 – HR Transformation & Physical Infrastructure Development – Achieve a competent and motivated workforce, trusted by all stakeholders; construction of the GAC office block**
- ✓ **Objective 1:** Develop Leadership and Promote a Positive Work Culture
 - ✓ **Objective 2:** Leverage Innovative Talent Acquisition and Professional Development Programs in a Cost-efficient Manner
 - ✓ **Objective 3:** Establish a Culture of Employee Engagement
 - ✓ **Objective 4:** Deliver a Robust Performance-driven Culture
 - ✓ **Objective 5:** Restructure the HR Function and Career Path
 - ✓ **Objective 6:** Deliver Improvements to the Physical Work Environment of the Employee



3 CHAPTER 3: AUDIT ACTIVITIES



3.1 Audit Engagements 2020

Section 2.1.3 of the Audit Act, 2014 gives the AG the authority to conduct audits of all public accounts and funds of the Republic of Liberia. Hence, the GAC has 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 GAC'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 based on 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 in the institution/program, period/date of last audit, audit opinion of the last audit, and other relevant factors.

In 2020, the GAC's audit risk-profiling process resulted into more than one hundred institutions and programs of government being categorized into one of three categories as mentioned above. Hence, the GAC concentrated the use of its resources to institutions that were 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 in view of their scope of operations and the extent of the institutions' presence around the Country.

The GAC issued a total of forty-two (42) audit reports in 2020, and another forty-one (41) audits were ongoing at the end of the year. Seventeen (17) of these audits were for MACs and twenty-six (26) were issued for various project audits. The audits can also be categorized as four (4) Financial Audits, nine (9) Compliance Audits, two (2) Performance Audits, one stand-alone IT Audit and twenty-six (26) project financial statement audits.

Below is a detailed list of all audit reports issued during the calendar year 2020:



3.1.1. List of Audits Completed in 2020

Financial Statements Audits

No.	Audited Entity and Audit Report Title	Audit Period	Release Date	Type of Opinion	Basis for the Opinion
1	Auditor General's Report on the Financial Statement Audit of the National Elections Commission (NEC)	1 July 2014 - 30 June 2018	January 2020	Qualified Opinion	<p>The Management of the National Elections Commission (NEC) did not disclose external assistance in the financial statements during the periods under audit, although management acknowledged receiving various forms of support from donor partners. We were unable to establish the actual cost of conducting elections and other operations leading to elections.</p> <p>Also, the Management of NEC did not present comparative financial information for the fiscal period ended June 30, 2014. We believe the audit evidence we obtained was not sufficient and appropriate, which set a basis for our audit opinion.</p>
2	Auditor General's Report on the Liberia Maritime Authority's (LMA) Financial Statements	1 July 2016 - 30 June 2018	February 2020	Unqualified Opinion	<p>We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor General's Responsibilities for the Audit of the Financial Statements section of our report. We have fulfilled other ethical responsibilities in accordance with ISSAI and other ethical requirements applicable to performing audits of financial statements in Liberia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.</p>
4	Auditor General's Report On The National Social Security & Welfare Corporation (NASSCORP) Financial Statements	1 July 2018 - June 30, 2019	October 2020	Qualified Opinion	<p>NASSCORP did not recognize contributions owed by some private entities in its financial statements.</p> <p>NASSCORP's Management did not report any amount as exchange gain/loss in its financial statements.</p> <p>The financial statements have not been adjusted to correct the inaccuracy in the amount reported by NASSCORP as the net amount received and the interest on its notes discounted by AFREXIMBANK.</p>
5	Auditor General's Report on the Audit of the	1 July 2014 – 30 June, 2018	July 2020	Adverse Opinion	<p>Total revenue and expenditure reported in PPCC's final trial balance did not agree with figures reported in the entity's financial statements presented for the audit.</p>



	Public Procurement and Concessions Commission (PPCC) Financial Statements				<p>Actual allocation received from the Ministry of Finance and Development Planning (MFDP) was understated by US\$70,801.32.</p> <p>Actual allotments received from MFDP's for employees' compensation was overstated in the entity's financial statements by US\$68,426.00.</p> <p>There was a variance of US\$34,718.00 between the goods and services disclosed in the entity's financial statements and the MFDP actual allotments.</p> <p>The PPCC's Management did not disclose grant revenue received in the amount of US\$34,733.00.</p> <p>Cash balances (GT Bank Liberian Dollar Account) reported in the entity's financial statements was understated by L\$2,134,752.80.</p> <p>The PPCC Management did not prepare and maintain accurate trial balances, cashbooks and ledgers.</p>
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Compliance Audits

No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
1	Auditor General's Report on the Compliance Audit of the Ministry of National Defense (MOD)	1 July 2013 – 30 June 2017	March 2020	Disclaimer of Conclusion	<ul style="list-style-type: none"> • Management did not prepare Cash Basis IPSAS financial statements, the prescribed financial reporting framework established by the Government of Liberia in 2009. • Management did not maintain a cashbook and other relevant financial records such as general ledger, trial balance etc. for financial transactions conducted. • There was no evidence that the MOD's management prepared monthly bank reconciliation for the period under audit. • Management deposited receipts amounting to US\$3,023,480.03 and L\$153,755,065.15 in undisclosed Central Bank of Liberia bank accounts and failed to provide supporting documents such as deposit slip to



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<p>authenticate the accuracy and completeness of the transactions.</p> <ul style="list-style-type: none"> • Management expended a total amount of US\$462,992.50 per the national budget fiscal outturn report without supporting documentation such as payment vouchers, requests, invoices, quotations, delivery notes etc. to authenticate the expenditure. • Management did not provide supporting documentation for transactions amounting to US\$2,591,505.35 and L\$62,451,455 extracted from the undisclosed Central Bank of Liberia project and operations bank statements for the period. • Management failed to provide a full list of contributions and donations made to the Ministry by various individuals and institutions. • There was no evidence that management retired incidental allowance amounting to US\$1,400.00. • There was no evidence that management-maintained fuel/gasoline distribution logs for the fuel/gasoline procured in an amount of US\$ US\$976,267 as per the National Budget Fiscal Outturn Report for the period under audit. • There was no evidence of the quarterly procurement report or minutes required by the PPC Act of 2005 as amended and restated in 2010.
2	Auditor General's Report On the Compliance Audit of the Construction of Roads and Bridges by the Ministry Of Public Works (MPW)	1 July 2014 – 30 June, 2016	February 2020	Adverse Conclusion	<ul style="list-style-type: none"> • The MPW's Management made advanced payments to contractors amounting to US\$ 6,057,470.80 for construction works without evidence of performance guarantee or bond to mitigate any risk of non-performance/default. • A total of six (6) contracts awarded that upward price adjustments were done in an amount of US\$1,229,459.99 without a



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<p>provision in the contract as required.</p> <ul style="list-style-type: none"> • The contract for the rehabilitation of Brewerville to Bopolu Road Project was increased by US\$ 2,319,295.17 without following the required procurement procedure. • The 'Certificates of Completion' prepared by the MPW's Management did not have any supporting measurement sheets for completed works such as detail summary schedule of material quantities for earth works, drainage construction, and demolition and mobilization charges. • Payments related to the construction and rehabilitation of roads and bridges did not show quality control and quality assurance compliance requirements as indicated in the contract document. • The Management of MPW provided no evidence of independent laboratory or physical tests undertaken by the Division of Soil and Material Testing for soils, bituminous materials, chemical, concrete, and environmental check before payments were made. • There were changes in quantities and rates for earthworks and drainage construction resulting to increased cost of US\$731,644.00. • Payments amounting to US\$10,387,216.02 were made under Letter to Proceed without evidence of consultation with the Auditor General of Republic of Liberia in keeping with the National Budget Law of FY 2014/2015. • There were Changes of Variation Orders of the Gbarma to Weasua and Nimba Junction to Nyanfueh Town Road Projects without approval costing US\$211,600.00.



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<ul style="list-style-type: none"> • There was change from Bridges to Box Culverts of the Nimba Junction to Nyanfueh Town Road Projects without approval costing US\$ 206,860.80. • There was change in the sizes of bridges at the Nimba Junction to Nyanfueh Town Road Projects without price adjustment and approval costing US\$ 443,544.99.
3	Auditor General's Report On The Eligible Expenditure Of The Liberia National Police (LNP)	1 July 2014 - 30 June 2018	May 2020	Adverse Conclusion	<ul style="list-style-type: none"> • The Liberia National Police made payments amounting to US\$1,742,792.89 for special operations services, intelligence services, goods, works and services without adequate supporting documentation to substantiate the regularity of the transactions. • There was a variance of US\$1,561,773.00 between the total amounts disbursed to LNP as per the Fiscal Outturn Report 2017/2018 and the total amount received as per the Budget Performance Report. • There was a variance of US\$3,372,400.46 between the total amounts disbursed to LNP as per the (IFMIS) General Ledger 2017/2018 and the total amount received as per the Budget Performance Report. • There was a variance of US\$3,053,651.00 between the total amounts disbursed to LNP as per the Approved Allotments for 2017/2018 and the total amount received as per the Budget Performance Report prepared by the LNP. • The amounts of L\$179,321,375.97 and US\$178,830.00 reported as payment to staff on behalf of third parties were paid in the names of some senior officers instead of the vendors or service providers without adequate supporting documentation. • Uncommitted balances of non-operational funds amounting to L\$10,087,056.12 and US\$29,657.66 of the LNP were not returned to the



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<p>Consolidated Fund Account at end of the 2017/2018 fiscal year.</p> <ul style="list-style-type: none"> The amounts of US\$161,720.75 and L\$38,149,631.31 deducted from the salaries of LNP personnel that were Absence from duties Without Approved Leave (AWOL) were not supported by documentation and no evidence of remittance into the GOL Consolidated Account. The LNP's Management did not maintain fixed assets register/listing to provide detailed information, including cost of asset, date of purchase and coding. Due to the absence of fixed assets register/listing that meets the requirement of the Public Financial Management Act, we were unable to obtain reasonable assurance as to the accuracy and completeness of the assets owned by LNP.
4	Auditor General's Report On the Compliance Audit of the Central Agricultural Research Institute (CARI)	1 July 2015 - June 30, 2019	October 2020	Adverse Conclusion	<ul style="list-style-type: none"> The amounts of L\$15,211,615.41 and US\$126,030.36 were disbursed per the bank statements as CARI staff salaries without evidence of payment vouchers, approved payrolls and letter of instruction to the bank for the payment. Payments amounting to L\$2,429,902.76 and US\$68,687.20 were made in the name of CARI Finance Staff rather than the vendors/ service providers or their authorized representatives. Amounts of L\$2,158,608.00 and US\$61,441.20 were disbursed to CARI Staff as bonuses for the fiscal year ended June 30, 2019 without evidence of Board approval and supporting documents. Salary payments amounting to US\$4,302.40 and L\$173,127.10 were made to individuals who were not on the personnel listing of the institution for the period under audit. Five forty feet containers were sold for US\$2,500.00 and L\$78,000.00 per



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<p>the receipt issued by the Administrator on June 28, 2018 without evidence of adherence to the Regulation of the PFM Act for the sales/disposal of Government assets.</p> <ul style="list-style-type: none"> • An amount of US\$2,328.00 was disbursed in the name of CARI staff for research activities without evidence of work done, research reports and cash payment receipts to validate the authenticity of the transaction. • There was no evidence that sixty (60) bags out of one hundred and fifty (150) bags of UREA fertilizer ordered by CARI Management from Greenfield Liberia Inc. were received or delivered. • Payment in an amount of US\$6,350 for renovation work and purchase of seed rice was without evidence of supporting documents to validate the authenticity of the transactions. • Various internal control policies and procedures including a risk management policy, approved financial manual, approved human resource policy and annual work plan were not applied for the achievement of the institution's objectives.
5	Auditor General's Report On the Compliance Audit of the Public Procurement and Concession Commission (PPCC)	1 July 2013 to 30 June, 2018	July, 2020	Adverse Conclusion	<ul style="list-style-type: none"> • Management granted several requests for no objection for the application of a single source procurement method without evidence that statement of facts and reasons justifying the use of the requested method was submitted and reviewed by PPCC's Management. • Management granted a request by the House of Representatives for "no objection" to award contracts to multiple vendors for the supply of 74 vehicles without evidence that the procurement of those vehicles was part of the entity's approved procurement plan.



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<ul style="list-style-type: none"> • Management did not have adequate personnel and/or human resources to provide oversight of procurement and concessions across public institutions in Liberia. • Management did not prepare and submit annual procurement reports on the procurement of public institutions to the Legislature. • Management did not produce and publish quarterly reports and Magazine on the activities of the commission in line with the entity's mandate.
6	Auditor General's Report on the Management of Pension Fund of the Ministry of National Defense	1 July 2009 – 31 January, 2019	March 2020	Opinion/Conclusion	<ul style="list-style-type: none"> • Management did not provide any approved policy to guide the administration of Ministry of National Defense's Pension Fund. • There was no evidence that management prepared monthly bank reconciliation for the pension account for the period under audit. • Management made payments from the pension account for AFL's operations, training, and United Nations Multi-Dimensional Integrated Stabilization Mission in Mali (MINUSMA) in an amount of US\$1,479,806.35 inconsistent with the essence of the contributory pension plan. • There was no evidence that an official contributed to the contributory pension plan although US\$50,000 was paid out in pension benefit to his widow. • The Management of MoD channeled several salary payments through the pension account. Monies were usually deposited in large amounts to cover salary payments subsequently paid out to selected recipients. An analysis of the pension account revealed that the total amount withdrawn in salaries exceeded the total amount deposited in the account by US\$1,658,376.26



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
7	Auditor General's Report On the Compliance Audit on the Financing, Disbursement of Funds and the Administration of the Small Business Pro-Poor Development Fund Loan Scheme (Ministry of Commerce & Industry)	1 January, 2019 to 31 July, 2020	November 2020	Adverse Conclusion	<ul style="list-style-type: none"> • Payment amounting to US\$8,380.80 was made from the Small Business Pro-Poor Development Fund Loan Scheme for the purpose of advertising the loan scheme without evidence of advertisement. • Payment amounting to US\$33,216.00 was made from the Small Business Pro-Poor Development Fund Loan Scheme for the purpose of training target beneficiaries without evidence of a valid contract. • Loans were disbursed to beneficiaries in only four (4) of the fifteen (15) counties with 75.6 percent of the loan portfolio disbursement concentrated in Montserrado County. • Ten (10) of the sixteen (16) beneficiary businesses, constituting 62.5%, did not pay their loan installments when due; as such, most of the loan accounts were in default. • Nine (9) beneficiaries of the SBPDF loan scheme received a total amount of US\$216,785 without submitting all necessary documents to LBDI as required by the MOU. • The Memorandum of understanding entered into between the Government of Liberia and Liberian Bank for Development and Investment (LBDI) was not attested to by the Minister of Justice although the document made provision for the Minister's signature.
8	Auditor General's Report on the Eligible Expenditure of the Government of Liberia Special Accounts Held at the Central Bank of Liberia (CBL)	1 July, 2017 – 30 June, 2018	December 2020	Adverse Conclusion	<ul style="list-style-type: none"> • Samples of transactions extracted from the Liberian dollar and United States dollars accounts of the Fiscal Stabilization Account show that the MFDP Management paid the amounts of US\$2,897,022.14 and L\$25,966,169.83 respectively to several businesses, individuals, counties and organizations without evidence of supporting documents to validate the transactions. • Payments totaling US\$1,243,861.82 were made from samples of



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<p>transactions on the Obligation Escrow Account to several business entities without providing supporting document to validate the transactions.</p> <ul style="list-style-type: none"> • Samples of transactions extracted from the Liberia Macroeconomic Policy Analysis bank statements show that payments totaling L\$1,439,124.85 were made to several individuals and entities with no evidence of supporting documents to authenticate the transactions. • Samples of transactions extracted from the Enhance GoL Capacity Development Effect bank statements show that payments totaling US\$116,125.00 were made to several individuals and businesses without supporting documents to confirm the payments.
9	Auditor General's Report on the Eligible Expenditure of the Central Agricultural Research Institute (CARI)	1 July 2019 - 30 June, 2020	November 2020	Adverse Conclusion	<ul style="list-style-type: none"> • The amounts of L\$11,722,784.48 and US\$389,800.71 were made for projects and other transactions without evidence of adequate supporting documents. • Payments amounting to US\$47,922.50 were made in the name of CARI Finance staff rather than the vendors/service providers or the authorized representatives. • There was a variance of US\$59,369.29 between the total amounts disbursed to CARI as per the Fiscal Outturn Report 2019/2020 and the total amount received as per the Expenditure Report. • Unauthorized payment vouchers in an amount of US\$10,482.00 were processed and paid without evidence of approval by the Director General / Officer in Charge, CARI. • The amounts of L\$196,675.00 and US\$227.50 generated through the sales of milled rice and other agriculture products were expended without a policy.



No.	Auditable Entities	Audit Period	Release Date	Type of Opinion	Basis For the Opinion
					<ul style="list-style-type: none"> • Salary payments amounting to US\$856.00 and L\$34,416.76 were made to individuals who were not on the personnel listing of the institution for the period under audit. • Various internal control policies and procedures including a risk management policy, approved financial manual, approved human resource policy and annual work plan were not applied for the achievement of the institution's objectives.

Performance Audits Report

No.	Auditable Entities	Audit Period	Release Date	Performance Audit Findings and Significant Matters Raised in the Reports
1	Auditor General's Performance Audit Report on The Collection And Disposal Of Solid Waste In Monrovia	2016/2017 - 2018/2019	November 2020	<ul style="list-style-type: none"> • Inadequate financial resources, limited human resources (Supervisors, technical experts, skip buckets attendants, etc.), limited equipment and vehicles to collect and dispose generated waste in the city of Monrovia. • Plastic and other recyclable materials still represent about 50% of waste collected and MCC should encourage household to recycle. Further, the MCC should look at the possibility of limiting the use of plastic for water and the bags in market to improve the environment. • Untimely collection of solid waste disposal from transferred stations, skip buckets and RC Bins. • Lack of collaboration amongst stakeholders. For example, Act creating the Environmental Protection Agency of the Republic of Liberia approved November 2002 specifically Sections 39 states, ' within twelve months of the effective date of this law, the EPA, in collaboration with MCC and county governments, and in consultation with other stakeholders in the community, and after public hearings, should develop and publish national guidelines for solid waste management. As of the date of the audit, only a draft is on hand. • Ineffective monitoring and supervision of CBEs, skip buckets and RC bins. • Inadequate enforcement from MCC to households in order to subscribe to CBEs.



2	Auditor General's Performance Audit Report Customs Cargo Clearance Processes at Liberia Seaport and Land Borders	2016/2017 - 2018/2019	June, 2020	<ul style="list-style-type: none"> • Significantly review the customs cargo clearance processes and align interagency mandate to avoid replicated Customs cargo clearance process. • LRA should consider installing cargo/goods scanning camera system similar to the luggage scan that are used at international airports. The scan will be analyzed by Customs and other government agencies to check whether the content match the cargo description and whether illegal cargo will be found, thus eliminating the several handling stages employed currently. • Ensure that officials assigned at land borders are following the standards set for monitoring activities effectively during cargo clearance. • Accurately disseminate new information and policies on cargo clearance to stakeholders that are actively involved in the clearing of cargo. • Ensure that stakeholders have and meet the necessary requirements and equipment to enhance their functions in the clearing process. • Ensure bi-annual refresher trainings for customs brokers to improve their understanding of customs cargo clearance procedures. • Install solar energy power and repair existing solar power system that will effectuate ASYCUDA at land borders. • Install ASYCUDA at major ports of entry (land and seaports) to facilitate trade and service delivery in customs administration that will further improve trade statistics, accounting procedures, reduce transaction cost, clearance time and conduct transaction electronically to mitigate negotiation. • To protect cargo at land borders, fence should be constructed and warehouses renovated.
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IT Audit Reports

No.	Auditable Entities	Audit Period	Release Date	Detailed Findings and Recommendations
1	Auditor General's IT Audit Report on the System Compliance Assessment Audit of the ASYCUDA and SIGTAS SYSTEMS, of the Liberia Revenue Authority	2019 July - 2020 June	November 2020	<ul style="list-style-type: none"> • Poor configuration of security parameters (OpenSSH) on server, exposing system to remote attacks • FTP service that facilitates transfer of files to servers not secured on LRA webserver. • Failure to properly secure network printers <ul style="list-style-type: none"> ➢ Failure to change default username and password ➢ Vulnerability that leads to path traversal arbitrary code execution ➢ Vulnerability leading to information disclosure ➢ Unauthorized access to Wi-Fi and printer data. • Vulnerabilities on routers and switches • Nonconformity of password • Database security management for both systems <ul style="list-style-type: none"> ➢ Inappropriate accounts on the SIGTAS database



				<ul style="list-style-type: none"> ➤ Users accounts on the database of SIGTAS but not on the personnel listing • Weaknesses in user account management of ASYCUDA • Lack of change of the default port 1521 • Lack of physical and environmental controls <ul style="list-style-type: none"> ➤ CCTV cameras not functional ➤ Inappropriate storage at the data center • IT Governance <ul style="list-style-type: none"> ➤ Inadequacy of the IT Policies ➤ Failure to constitute an IT Steering Committee ➤ IT Risk assessment not performed or documented ➤ Educate and train users ➤ ERMCD understaffed and lack of risk assessment tools ➤ Lack of automated interface between LRA systems and IFMIS • Service Continuity <ul style="list-style-type: none"> ➤ Threat to Business Continuity • Control weaknesses in the Business Process of the ASYCUDA and SIGTAS <ul style="list-style-type: none"> ➤ Lack of review and approval of AYCUDA ➤ Consignment that does not go through the PSI in customs ➤ Inappropriate procedures on the ASYCUDA ➤ Lack of SOD in SIGTAS ➤ Duplication of taxpayers' information on the SIGTAS system • Field Verification of customs and domestic taxes <ul style="list-style-type: none"> ➤ Insufficient staff and logistics to conduct custom functions ➤ Lock of segregation of duty (SOD) at the collectorates.
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Project Audits (Financial Statement)

No.	Name of Project	Donor Partner	Responsible Ministry, Agency or Commission	Audit Period	Release Date	Project Opinion	Audits
1	Auditor General's Report on The Financial Statement Audit of Smallholder Agricultural Productivity Enhancement and Commercialization (SAPEC) Project (PROJECT ID: P-LR-A00-003 LOAN NO.: 2100150026744)	African Development Bank (AfDB)	Ministry of Agriculture (MOA)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
2	Auditor General's Report on The Financial	African Development	Ministry of Public Works	1 July 2019 –	December 2020	Unqualified Opinion	Audit



No.	Name of Project	Donor Partner	Responsible Ministry, Agency or Commission	Audit Period	Release Date	Project Opinion	Audits
	Statement Audit of The Mano River Union Road Development and Transportation Facility Programme (MRU/RDTFP) - (GRANT NO. ADF LOAN 2100150032544 TSF LOAN-5900150000351 TSF2 LOAN-2100150033397)	Bank (AfDB)		30 June, 2020			
3	Auditor General's Report on The Financial Statement Audit of The Rural Community Finance Project (RCFP) From Project Effectiveness – (IFAD LOAN NUMBER: 2000000631 AND IFAD GRANT NUMBER: 2000001474)	International Fund for Agricultural Development (IFAD)	Ministry of Agriculture (MOA)	July 1, 2019 – June 30, 2020	December 2020	Unqualified Audit Opinion	
4	Auditor General's Report on The Financial Statement Audit of The Tree Crop Extension Project (TCEP) (LOAN No.: 2000000632 GRANT NUMBER No.: 2000001473)	International Fund for Agricultural Development (IFAD)	Ministry of Agriculture (MOA)	1 July 2019 - 30 June, 2020	December 2020	Unqualified Audit Opinion	
5	Auditor General's Report on The Financial Statement Audit of Liberia Accelerated Electricity Expansion Project-Original (LACEEP- ORIGINAL) (IDA. 52520)	International Development Association (IDA)	Liberia Electricity Corporation (LEC)	1 July 2019 - 30 June, 2020	December 2020	Unqualified Audit Opinion	Audit
6	Auditor General's Report on The Financial Statement Audit of Liberia Energy Efficiency & Access Project (LEEAP) LOAN No. 5900150001051	International Development Association (IDA)	Liberia Electricity Corporation (LEC)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Audit Opinion	Audit
7	Auditor General's Report on The Financial Statement Audit of The Liberia Renewable Energy Access Project	World Bank (WB) - IDA	Rural Renewable Energy Agency (RREA)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Audit Opinion	Audit



No.	Name of Project	Donor Partner	Responsible Ministry, Agency or Commission	Audit Period	Release Date	Project Opinion	Audits
	(LIRENAP) TFA1646						
8	Auditor General's Report on The Financial Statement Audit of The Gavi-Health Strengthening System (GAVI-HSS) Project REF. LBR-01	United States Agency for International Development (USAID)	Ministry of Health (MOH)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
9	Auditor General's Report on the USAID Sponsored MOH Fixed Amount Reimbursable Agreement Project	United States Agency International Development (USAID) Liberia	Ministry of Health (MOH)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
10	Auditor General's Report on The Liberia Road Asset Management Project (LIBRAMP) (GRANT AGREEMENT NO P125574, IDA CR.49500,51670, & 60370, TF 99588)	World Bank (WB) Liberia	Ministry of Public Works (MPW)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
11	Auditor General's Report on The Closeout Financial Statement Audit of The Preparation of The Readiness Plan of The Forest Carbon Partnership Facility (FCPF) GRANT NO. TF A0929	World Bank (WB) Liberia	Forestry development Authority (FDA)	For the Period Ended May 31, 2020	December 2020	Unqualified Opinion	Audit
12	Auditor General's Report on The Financial Statement Audit of Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P)	World Bank (WB) Liberia	Ministry of Agriculture (MOA)	July 1, 2019- June 30, 2020	December 2020	Unqualified Opinion	Audit
13	Auditor General's Report on The Financial Statement Audit of The Ebola Emergency Response Project (EERP) (IDA D0080)	World Bank (WB) Liberia	Ministry of Health (MOH)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
14	Auditor General's	World Bank	Ministry of	1 July	December	Unqualified	Audit



No.	Name of Project	Donor Partner	Responsible Ministry, Agency or Commission	Audit Period	Release Date	Project Opinion	Audits
	Report on The Financial Statement Audit of The Health Systems Strengthening Project (HSSP)/ADDITIONAL FINANCING (AF) (IDA-5244, TF-14432LBR & TFA4116)	(WB) Liberia	Health (MOH)	2019 – 30 June, 2020	2020	Opinion	
15	Auditor General's Report on The Financial Statement Audit of The Improving Results for Secondary Education Project (IRISE)	World Bank (WB) Liberia	Minister of Education (MOE)	July 1, 2019- June 30, 2020	December 2020	Unqualified Opinion	Audit
16	Auditor General's Report on The Financial Statement Audit of The Integrated Public Financial Management Reforms Project (IPFMRP) II (ADF No 2100155034068, TSFNo.5900155011455, TSF2 5900155011454)	World Bank (WB) Liberia	Ministry of Finance and Development Planning (MFDP)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
17	Auditor General's Report on The Financial Statement Audit of The Liberia Technical and Capacity Building Assistance Project (TCBAP) GRANT NO.: 5900155014451	World Bank (WB) Liberia	Ministry of Finance and Development Planning (MFDP)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
18	Auditor General's Report on The Financial Statement Audit of The Liberia COVID-19 Emergency Response Project (IDA D6080 & IDA 66090)	World Bank (WB) Liberia	Ministry of Health (MOH)	July 1, 2019- June 30, 2020	December 2020	Unqualified Opinion	Audit
19	Auditor General's Report on The Financial Statement Audit of The Liberia Forest Sector Project (LFSP) GRANT NO. TF A2427	World Bank (WB) Liberia	Forestry development Authority (FDA)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
20	Auditor General's Report on The Financial Statement Audit of The Liberia Land	World Bank (WB) Liberia	Liberia Land Authority (LLA)	1 July 2019 – 30 June,	December 2020	Unqualified Opinion	Audit



No.	Name of Project	Donor Partner	Responsible Ministry, Agency or Commission	Audit Period	Release Date	Project Opinion	Audits
	Administration Project (LLAP) GRANT NO. IDA D2370			2020			
21	Auditor General's Report on the Financial Statement Audit of the Liberia Social Safety Net Project (LSSNP) (IDA 57910 & TFA6428)	World Bank (WB) Liberia	Ministry of Gender, Children and Social Protection (MoGSP)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
22	Auditor General's Report on The Financial Statement Audit of The Liberia Urban Water Supply Project (LUWSP) (CREDIT NO. 5774-LR; 6384-LR AND GRANT NO. D4870-LR)	World Bank (WB) Liberia	Liberia Water and Sewer Corporation (LWSC)	July 1, 2019- June 30, 2020	December 2020	Unqualified Opinion	Audit
23	Auditor General's Report on The Financial Statement Audit of The Public Financial Management Reforms for Institutional Strengthening Project (PFMRISP) P165000: GRANT NO. IDA D5060	World Bank (WB) Liberia	Ministry of Finance and Development Planning (MFDP)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
24	Auditor General's Report on The Financial Statement Audit of The Public Sector Modernization Project (PSMP) P143064 :(IDA 53590 & TFA1263)	World Bank (WB) Liberia	Civil Service Agency (CSA)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
25	Auditor General's Report on The Financial Statement Audit of The Regional Disease Surveillance Systems Enhancement (REDISSE) PHASE II (IDA59690)	World Bank (WB) Liberia	Ministry of Health (MOH)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit
26	Auditor General's Report On The Financial Statement Audit Of The Youth Opportunity Project (YOP): P146827 (IDA 56210 & TFA9505)	World Bank (WB) Liberia	Ministry of Youth and Sports (MYS)	1 July 2019 – 30 June, 2020	December 2020	Unqualified Opinion	Audit



3.1.2. Notable Audit Issues

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 but the statements did not meet the requirements of the applicable reporting standards.

There GAC also experienced substantial delays relative to auditees submission of audit documentation and response to management letters and draft audit reports. This adversely affected the reporting timeline foreseen during audit planning.

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. Notable issues were discovered in this regard when it comes 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, with an emphasis on monitoring. Our audits also revealed that sufficient efforts were not applied to correct systematic weaknesses that have been identified during previous years' audits.

Notwithstanding these findings, we have noticed in recent years that a number of MACs have made significant strides in developing and implement strategies to improve their performance.

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 and programs to determine if the objectives of programs were met, and if there was value for money in the expenditure of resources that have been allocated to these activities.

One of the most notable issues discovered during the course of conducting performance audits during the year under review was the need for a better framework to control the use and disposal of plastic and other solid wastes. Investigations also highlighted an ongoing need for more collaboration amongst stakeholders who work in the environmental protection sector as far as policy related matters are concerned.

General Findings



Our findings identified weaknesses in governance practices and inefficient prioritization of human and financial resources. Below is a summary of key findings from audit reports released in 2020:

- ✓ Need for Improvement in Governance
- ✓ Breaches in the application of the PPCA and Regulations (constitution of procurement committees and the development and implementation of approved annual procurement plans)
- ✓ Inadequate internal controls
- ✓ Non-compliance with compensation regulations
- ✓ Poor record management
- ✓ Inadequate risk planning
- ✓ Expenditure without supporting documents
- ✓ Variance between amount disbursed per records in IFMIS and amounts disclosed in financial report
- ✓ 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.

3.2 Annual Appropriation for Audit

In accordance with Part 3 Section 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\$ 8,905,251.00. Of this amount, US\$2,225,904 was for audit activities, while US\$ 6,679,347.00 represented budget estimates for Administration and Management. Of the amount proposed for audit, US\$185,250 was appropriated to carryout 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	2019/2020 Proposed Estimate Budget	2019/202 Budgetary Appropriation
Government of Liberia	US\$ 2,225,904.00	US\$185,250
External Support		
Total	US\$ 2,225,904.00	US\$185,250



4 CHAPTER 4: ADMINISTRATION ACTIVITIES

The Department of Administration provides support services to the Office of the Auditor General in implementing the GAC's 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 Control (MIC), Corporate Information and Communication Technology (ICT), Communication, Facility Security, Budget, Project Management, Internal Audit, Stores and Legal Services. Sections/ sub-units include Protocol, Training, The Resource Center and Print and Publication.

4.1 Human Resources



4.1.1. Human Resource Activities

Scope of Work

The HR's Unit is responsible for staffing, performance evaluation, compensation and benefits, training and development, employees' relations and health and safety. The Unit is also in charge of creating common templates and a system for the maintenance of personnel information and attendance records. The Unit develops aids in the development of policies and assists line managers in their responsibilities to implement those policies and procedures. The HR Unit executes the overall HR's function, in addition to Training and Manpower Development and the Resource Center (Library) sections. The Unit is headed by a Senior Manager and it has 12 technical staff. There are four staff in the HR Function, four in the Training Section, which is headed by a Training Coordinator, and four staff in the Resource Center Section, which is headed by a Resource Center Coordinator.

Major Achievement

The GAC Management recognizes that the Commission's most valuable asset in delivering on its mandate is its workforce. So, we aim to recruit and retain a talented and diverse workforce that reflects the opinion of the people we serve. Our HR policies are designed to promote applications from the widest possible range of backgrounds of our communities.

- Workforce Structure**

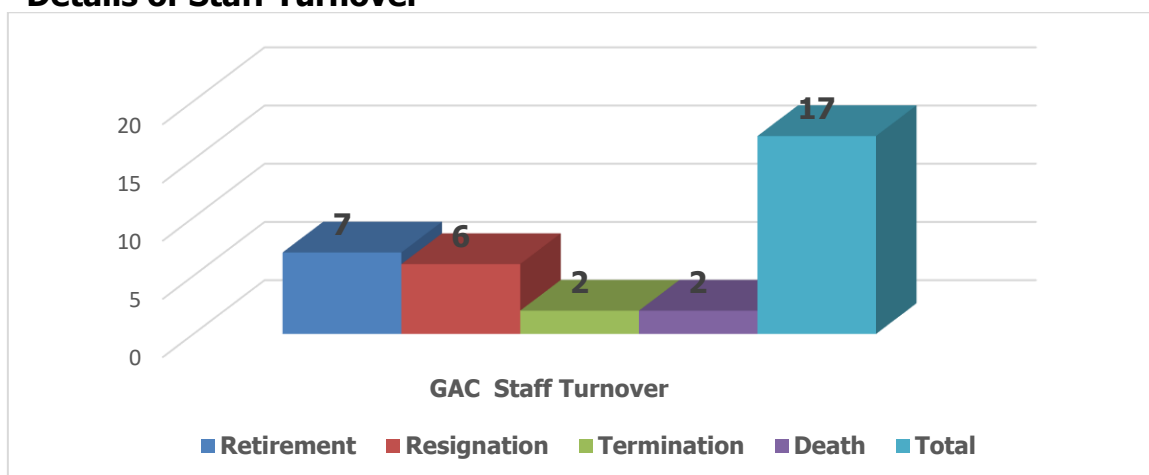
At the beginning of the year under review, the GAC had 337 employees. Of this number, there are two (2) physically challenged employees. During the course of the year, two (2) employees were recruited, and there was a turnover of 17 staff, bringing the total employment number at the end of the year to 322 employees.

2020 STAFFING DETAILS					
Beginning Workforce	Physically Challenged Employees	Turnover	Retention	New Hire	Ending Work Force
337	2	17	320	2	322
		5%	95%		

- Details of Staff Turnover**

During the year under review, our staff turnover rate was at 2.48% and below is the breakdown. Additionally, we retired seven of our staff who attained the legal retirement age and tenure of service in a single case.

Details of Staff Turnover



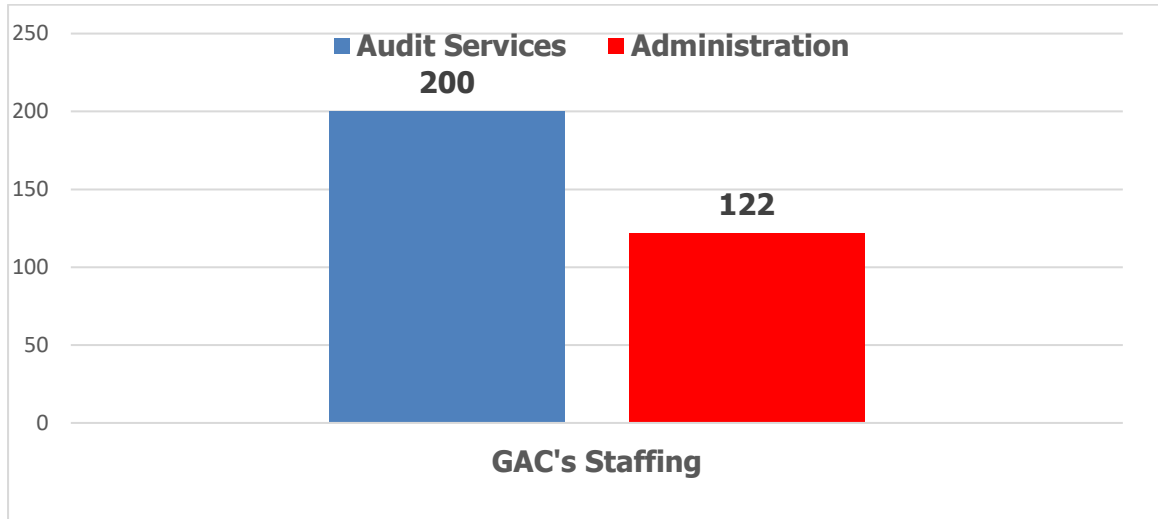
- Composition of Workforce by Department**

By the end of the reporting year, the Commission had a total workforce of 322. Our core department, Audit Service, had a total of 200 employees, representing 62 percent of the total workforce; the department of Administration had a total of 122 representing 38 percent.

Below is the distribution by department:



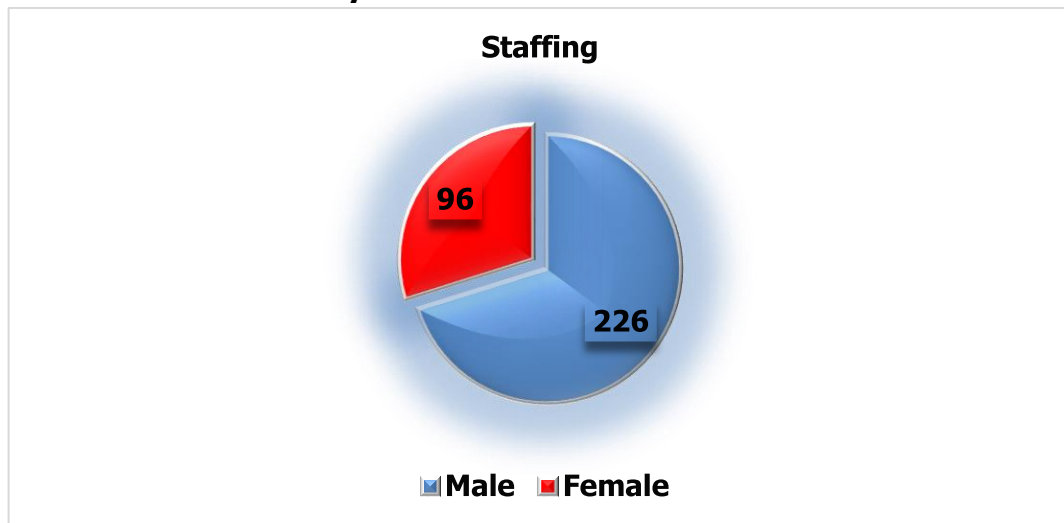
Staffing by Department



- **Composition of Staff by Gender**

During the year under review, female workforce increased from a previous 29% to 29.8%. We continue to make effort in narrowing the gender gap.

GAC's Staff Structure by Gender



- **Promotion:**

Six employees were promoted based on outstanding performance. This was aimed at motivating them and to also encourage other employees who will see this as a motivating factor.

- **Performance Management:**

The GAC launched an automated performance management system in February of 2020, but the system could not be implemented due to the outbreak of the Covid-19 which compelled



Management to reduce its staff by more than 90%.

- **Staff Welfare and Safety:**

The wellbeing and safety of employees remain paramount on Management's agenda. As part of efforts to ensure the safety of staff, fire wardens were selected among the workforce and trained on how to operate fire extinguishers. They were also trained in fire prevention and emergency evacuation.

We regret that we were not able to continue the medical and life insurance plan for our employees due to budgetary constraints.

- **Ethical Conduct**

During the year under review, one employee's services were terminated for unacceptable ethical conduct.

4.1.2 Resource Center Activities

During the year under review, the GAC Resource Center was equipped with computers and books for research purposes.

4.1.3 Training and Manpower Development

Training is one of the key activities at the GAC because it presents a prime opportunity and means by which the knowledge base of staff can be enhanced.

During the period under review, the GAC staff underwent some internal and external trainings even though the COVID-19 global pandemic posed a very serious challenge to GAC's regular training programs. Thirteen (13) training sessions were held during the period, with two hundred and eighty-seven (287) staff participating. Most of the trainings shifted to virtual format as a result of the COVID-19 pandemic.

See below table of the training conducted in 2020

No.	Types of Training	Date of Training	Venue	No of participants
1.	International Financial Reporting Standard (IFRS)	January 20-31, 2020	GAC's Second Floor Conference Room	40
2.	Fire Extinguisher Training	January 30, 2020	GAC's Second Floor Conference Room	17
3.	Document Scanning Training	January 31, 2020	GAC's Second Floor Conference Room	6
4.	IT Audit Unit Training	Jan 28-Feb 7, 2020	IT Audit Room	20
5.	Management Development Program (MDP)	Feb. 3-7, 2020	GAC's Second Floor Conference Room	43



6.	GIZ Public Financial Management on Audit Reporting Framework Training	Feb 10-14, 2020	Cape Hotel	25
7.	AIDSPAN Training on Global Fund Audit Procedure	Feb 17-21, 2020	Millennium Guest House	20
8.	Management Development Training	March 9-10, 2020	GAC's Second Floor Conference Room	26
9.	Asset Management System	August 27, 2020	GAC's Second Floor Conference Room	4
10.	Management Development Program	Oc. 19-28, 2020	virtual	43
11.	Strategic Plan Development Workshop	Sept. 22-23, 2020	Virtual	38
12.	Quality Assurance Training workshop	November 10-13, 2020	Virtual	4
13.	Financial Modelling for the Extractive Sector (FIMES) project inception	Nov. 10, 2020	Virtual	1

4.2 Upgrade in Information and Communication Technology (ICT)

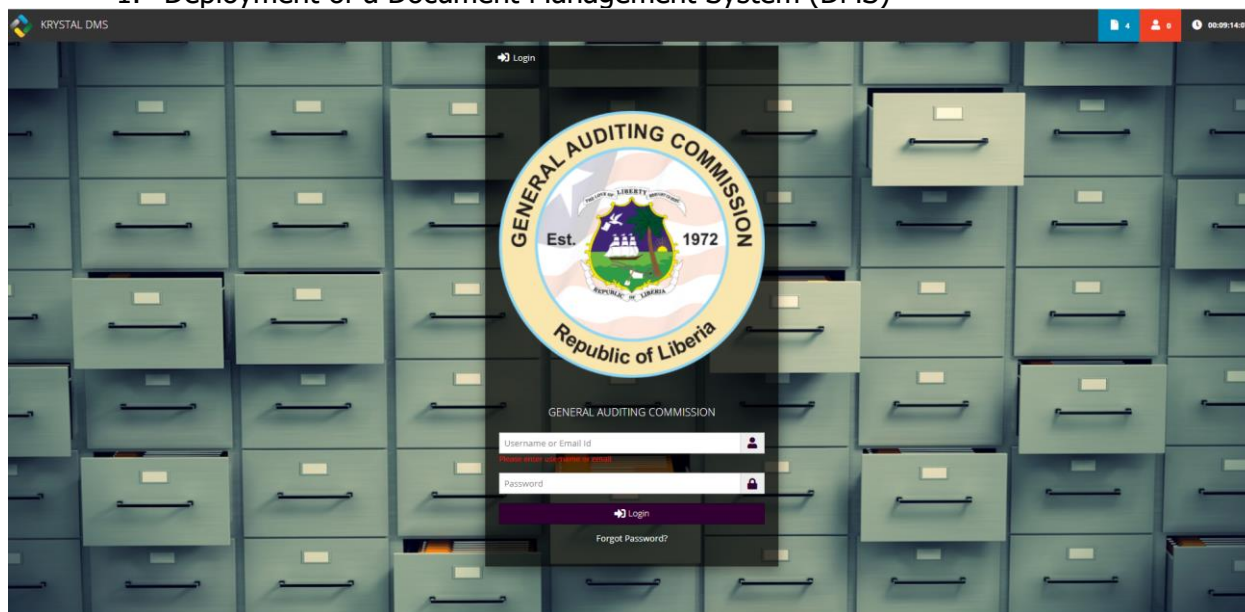
Infrastructure

During the period under review, the GAC, through its ICT Unit, installed a robust, high speed, secured fiber network infrastructure that encompasses window-based enterprise servers, business class network switches and business class routers to support the over 300 plus end-users that the Commission currently has. For better accessibility and faster response time, the Unit established an IT help desk to assist employees with computer related issues.

Major Achievements

Below are the GAC's major achievements amongst a number of interventions which were executed during the year under review:

1. Deployment of a Document Management System (DMS)



2. Assets Management System (AMS) developed for coding and tracking all of the Commission's assets. This system was implemented and is fully functional

General Auditing Commission Assets Management System

Dashboard

Success: You have successfully logged in.

Welcome to the General Auditing Commission "Inventory Management System"

1,101 total assets

257 total licenses

11 total accessories

108 total consumables

Recent Activity

Date	Admin	Action	Item	Target
Wed Jan 27, 2021 12:54PM	Welley Quermorflue	delete	HP Notebook 15 (GACD1382)	
Wed Jan 27, 2021 12:53PM	Welley Quermorflue	update	HP Notebook 15 (GACD1384)	
Wed Jan 27, 2021 12:48PM	Welley Quermorflue	create new	HP Notebook 15 (GACD1384)	
Wed Jan 27, 2021 12:48PM	Welley Quermorflue	create new	HP Notebook 15 (GACD1382)	
Wed Jan 27, 2021 12:38PM	Welley Quermorflue	update	Laptop (SAC-GOL-LPT-168-01091)	
Wed Jan 27, 2021 12:38PM	Welley Quermorflue	update	Laptop (SAC-GOL-LPT-168-01091)	
Wed Jan 27, 2021 12:38PM	Welley Quermorflue	update	Laptop (SAC-GOL-LPT-168-01091)	
Fri Jan 22, 2021 12:43PM	William Harris	create new	Adobe Acrobat 2020 Perpetual License	
Fri Jan 22, 2021 12:43PM	William Harris	added seats	Adobe Acrobat 2020 Perpetual License	

3. Storeroom Inventory Management System was also developed to track all items entering the storeroom.

GAC Inventory Management System

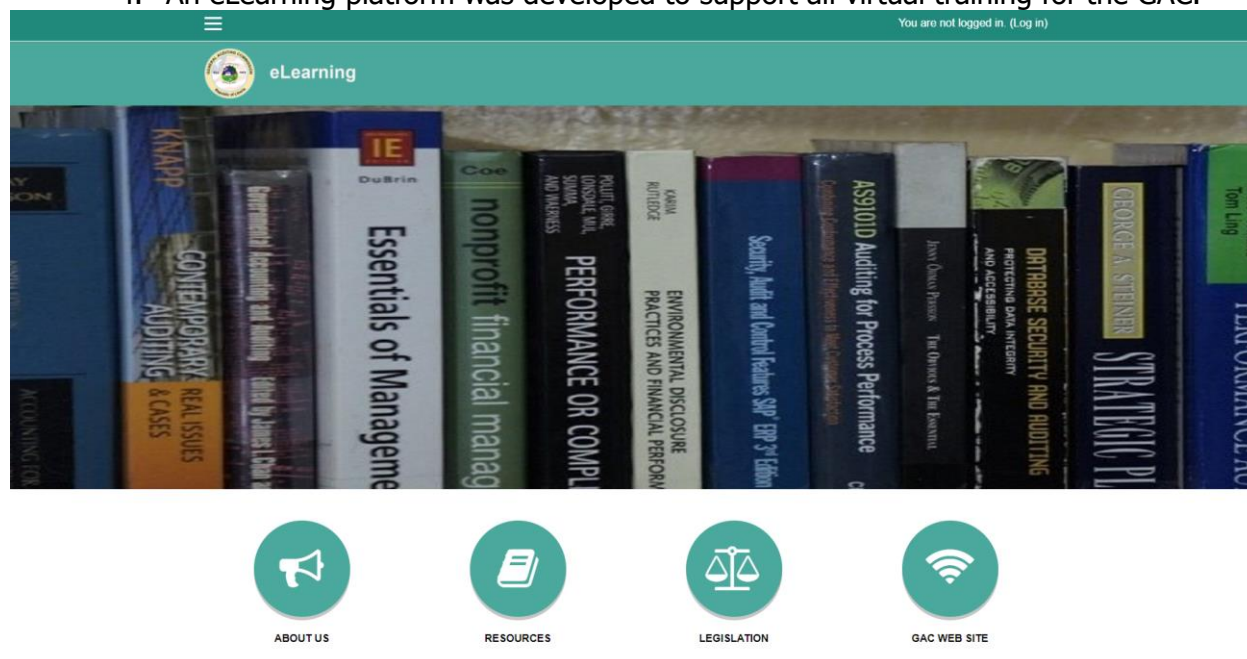
Assets Licenses Accessories Consumables Components People

Showing 1 to 20 of 107 rows

Name	Category	Model No.	Item No.	Total	Remaining	Min. QTY	Location	Order Number	Purchase Date	Purchase Cost	In/Out	Actions
Spray-gone	STATIONARIES	ST-039	66	66	10	Store Room	1580	Mon Dec 07, 2020	61.60	Checkout	👉 🗑	
Dettol	CLEANING MATERIALS	CM-008	119	119	20	Store Room	1580	Mon Dec 07, 2020	57.20	Checkout	👉 🗑	
Spartan Flash	CLEANING MATERIALS	CM-021	51	51	10	Store Room	1580	Mon Dec 07, 2020	50.60	Checkout	👉 🗑	
Air Freshener (Can)	CLEANING MATERIALS	CM-001	74	73	10	Store Room	1580	Mon Dec 07, 2020	26.40	Checkout	👉 🗑	
Furniture Spray	CLEANING MATERIALS	CM-012	83	83	12	Store Room	1580	Mon Dec 07, 2020	53.80	Checkout	👉 🗑	
Tissues	CLEANING MATERIALS	CM-023	2180	2164	36	Store Room	1580	Mon Dec 07, 2020	27.50	Checkout	👉 🗑	
Trash Bag	CLEANING MATERIALS	CM-025	17	17	5	Store Room	1580	Mon Dec 07, 2020	16.50	Checkout	👉 🗑	
Soft Broom	CLEANING MATERIALS	CM-020	282	282	10	Store Room	1580	Mon Dec 07, 2020	49.50	Checkout	👉 🗑	
Hard Broom	CLEANING MATERIALS	CM-015	148	148	10	Store Room	1580	Mon Dec 07, 2020	66.00	Checkout	👉 🗑	
Glass cleaner	CLEANING MATERIALS	CM-013	40	40	10	Store Room	1580	Mon Dec 07, 2020		Checkout	👉 🗑	
Staple Pin Remover	STATIONARIES	ST-044	29	29	5	Store Room	1581	Mon Dec 07, 2020	34.60	Checkout	👉 🗑	
Perforator M/S	STATIONARIES	ST-033	72	72	5	Store Room	1581	Mon Dec 07, 2020	8.80	Checkout	👉 🗑	
Staple Pin (Medium Size)	STATIONARIES	ST-043	29	29	15	Store Room	1581	Mon Dec 07, 2020	1.65	Checkout	👉 🗑	
Floor Mop	CLEANING MATERIALS	CM-011	182	182	10	Store Room	1580	Mon Dec 07, 2020	19.80	Checkout	👉 🗑	



4. An eLearning platform was developed to support all virtual training for the GAC.



4.3 Communication and Stakeholders Engagement

The dissemination of relevant information to its many stakeholders is an important aspect of the work of an SAI. Here, the GAC provides information to its internal and external stakeholders about the work and mandate of the institution.

During the year under review, the GAC, through its Communication Unit, periodically produced written materials such as newsletters internal stakeholders including employees; various forms of contents were produced for external stakeholders through the GAC's website and its Facebook platform. The GAC also held interactive sessions with students at educational institutions around the Country to make broaden their knowledge about the institution's mandate and how they, too, can contribute to developing a culture of integrity in Liberia.

Major Achievements

The year 2020 was a peculiar one that affected every institution of Government. The GAC's Communication Unit engaged Stakeholders about unfolding events at the Commission. At the inception of 2020, the GAC, through its Communication Unit, initiated the Auditor General's flagship program known as the 'Culture of Integrity', where students were educated about the danger corruption poses to their future. The essence of this outreach program is to educate students in grade schools about the importance of being accountable and honest as young people and future leaders. Our early preparation targeted several high schools in the outskirts of Monrovia, some of which include, Ricks High School, St. Mary's Catholic School, Seventh-day Adventist High school (Paynesville), D. Tweh High school, Lott Carey High School, and RC Lawson Institute. This initiative will resume in March 2021.



Moreover, as part of our commitment to continue the 2018-2019 stakeholders' engagement program, we also initiated phase three of the program which will be held out of Monrovia. We intend to further expand the initiatives financed through the EU 11EDF program to local officials in the counties with emphasis on promoting accountability and transparency in public places under the theme: Inclusive Dialogue. In this proposal, we have earmarked the 15 counties and divided them into three regions where local officials will assemble in designated places for these inclusive engagements. Our first and foremost targeted region was the South east, but due to the COVID-19 pandemic, these initiatives were suspended.

Another earmarked project was the translation of our Audit reports into a simplified version for proper understanding. This has been a major concern of our international partners who have on several occasions suggested that we have our audit reports simplified so that they appeal to a wider audience. In the midst of the challenges, we started the engagements by hiring the services of an artist to jump start the first phase, but again the virus and the lack of funding to end phase one caused some setback. Notwithstanding, these activities have been move forward to 2021 and will be implemented based on the availability of funding and an improvement in the health condition in the country.

4.4 Affiliation with Professional Organizations

Extensive interaction with external professional organizations was limited due the outbreak of the COVID 19 pandemic. However, the GAC attended a number of virtual meetings, a few of which are mentioned below:

1. The AFROSAI-E annual Governing Board Meeting was cancelled due to the COVID 19 pandemic. However, the sub-committees met virtually on 20th May 2021 to plan for the 2021 meeting. The Auditor General, as head of the Capacity Building Committee (CBC) participated in this meeting.
2. The AG and several members of her Management Team attended the AFROSAI-E annual Technical Update. The meeting was held virtually from 2nd to 6th November 2020.

4.5 Assets to Support the Audit Operations

The GAC is currently in urgent need of new vehicles, as most of those procured through support are either damaged/fully depreciated and are longer capable of being driven across most of the Country. The deplorable road condition in most parts of Liberia has caused significant damage to these vehicles for the past nine (9) years. For this reason, six (6) vehicles were disposed of during the year under review, and only two were procured with World Bank Project funding which will now serve as some form of replacement.

This situation 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. On the overall, the depreciation of these vehicles has now attracted significant financial burden as the



Commission is constrained to defray huge repair and maintenance costs to keep the better ones operational.

If this trend continues, the Commission, in view of 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 disposed and already depreciated/damaged existing assets. To help mitigate this situation, the GAC continues to work with the Government of Liberia and development partners so that additional vehicles can be secured.

- **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.

However, during the year under review, additional laptops were procured with AfDB and World Bank support and this has significantly improved the ratio of laptops to auditors. The GAC Management will continue to work with the Government and development partners to explore other possibilities through which additional computers and other tools can be secured to facilitate its audit work.

4.6 Financial Management and Budget Performance

Submission of Budget Estimates

In compliance with Section 3.4 of the GAC Act of 2014, in April 2020, the Management of the GAC submitted the Commission's 2020/2021 budget estimates and Annual Operational Plan to the Legislature (via the PAC) alongside its 2019/20 Budget Performance Report.

Financial Statements

The GAC is 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 the institution's 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, 2019 – June 30, 2020) – they do not represent the Calendar Year 2020. 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,
2020



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

TABLE OF CONTENTS

STATEMENT OF RESPONSIBILITIES OF THE AUDITOR GENERAL, RL	II
MANAGEMENT DISCUSSION AND ANALYSIS ON THE FINANCIAL STATEMENTS	III
Introduction.....	iii
The Approved Budget.....	iii
Financial Performance	iii
Concerns and Strategic Focus.....	iii
STATEMENT OF CASH RECEIPTS AND PAYMENTS.....	1
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT	3
STATEMENT OF CASH POSITION.....	4
NOTES TO THE FINANCIAL STATEMENTS	5
APPENDICES	10

STATEMENT OF RESPONSIBILITIES OF THE AUDITOR GENERAL, RL

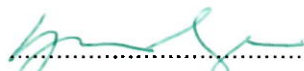
The following Financial Statements set out from pages 1 to 11 have been prepared on the Cash Basis in accordance with International Public Sector Accounting Standards (IPSAS) and in compliance with the Public Finance Management Act, 2009 (PFM Act).

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).

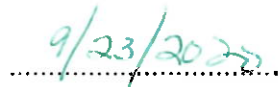
Section 3.6 (a) and (c) of the GAC Act of 2014 requires that the financial statements of the GAC be completed within three (3) months of the end of the fiscal year and its audited statements submitted by the independent auditors to the Legislature within an additional two (2) months. Accordingly, I am pleased to submit the required Statement of Receipts and Payments for the fiscal year ended June 30, 2020. 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 PFM 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 2019/2020.

The Approved Budget

The Approved budget for the General Auditing Commission was US\$4,491,655. Out of the approved budget, the amount of US\$4,567,784 was received by the Commission.

Financial Performance

The GAC received US\$4,212,421 as budgetary allocation for fiscal period 19/20. The GAC also received US\$355,363 which represents June Salary of the GAC for fiscal period 2018/2019 which was received in July of the fiscal period 2019/2020; thus, bringing the total amount received from the Government of Liberia for the fiscal period 2019/2020 to US\$4,567,784. Of the total amount received, US\$4,456,888 constitutes compensation of employees for the fiscal period 2019/2020 while US\$110,896 constitutes goods and services for fiscal period 2019/2020. The other receipt for the fiscal period 2019/2020 is US\$529,303 which is attached (Appendix-3). Hence, the total amount received by the GAC from all sources for the fiscal period 2019/2020 was US\$5,097,087*

*(US\$4,456,888+ US\$110,896+ US\$529,303)

The total amount of US\$4,451,716 was expended as staff compensation for the fiscal period 2019/2020 while the amount of US\$833,242 was expended on goods and services. Of the total amount expended for goods and services, US\$812,903 (note 7) was payment made on goods and services controlled by the GAC while US\$20,239 (note 7) was payment made on goods and services controlled by third party. Other payments which amounted to US\$807 include bank charges and exchange losses & gains on operational transactions.

Concerns and Strategic Focus

For the fiscal period 2019/2020, the GAC completed thirty-two (32) audits. This amount represents both government and donor projects audits.

Since the passage of the GAC Act of 2014, the GAC has submitted its annual budgets directly to the Legislature as enshrined in the Act. However, we have not received adequate budgetary support to enable us audit all Ministries, Agencies and Commissions (MACs) as mandated by the act. For the fiscal period 2019/2020, the GAC proposed budget submitted to the National Legislature was US\$8,905,251; only US\$4,491,655 was approved by the National Legislature.

Training and Capacity Building

The European Union's (EU) 11th European Development Fund (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 Certified Accounting

*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



Technician (CAT), the Chartered Institute of Management Accountants (CIMA), the Certified Internal Auditor (CIA), the Certified Information Systems Auditor (CISA) and other programs); other forms of institutional support were also provided under this arrangement. This project has the EU 11th EDF-Program Estimate which is controlled by the GAC and the EU 11th EDF-Long Term Technical Assistance (LTTA) component which is not controlled by the Commission.

The Commission as part of its capacity building strategy, has enrolled auditors and support staff into various certification programs as stated above. After these capacity building exercises, the GAC will now have most of its staff in key audit and support functions professionally qualified which will add value to the audit process.

A total of seventy (70) staff are enrolled into the ACCA program, sixty-seven (67) in the CAT program and four (4) in the CIMA program; six (6) staff are enrolled in the CIA program, nine (9) in the CISA/ CRICS, four (4) in the PMP program, amongst other trainings.

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


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


.....
Date



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



**GENERAL AUDITING COMMISSION (GAC)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		FY 19 / 20		FY 18/19		
Note	Receipts/ (Payments) Controlled by Entity US\$	Payments by Other Governmen t Entities US\$	Payments by External Third Parties US\$	Receipts/ (Payments) Controlled by Entity US\$	Payments by Other Government Entities US\$	Payments by External Third Parties US\$
RECEIPTS						
3	Authorized Allocation/Appropriation	4,567,784	752,415	4,418,437		179,167
4	External Assistance	-		-		
5	Other Receipts	529,303		342,838		
	Total Receipts	5,097,087	752,415	4,761,275		179,167
PAYMENTS						
6	Wages, Salaries and Employee Benefits	4,451,716		3,955,935		179,167
7	Use of Goods and Services	812,903	676,960	1,319,006		
9	Purchase of Plant & Equipment	70,303	75,455	41,053		
10	Other Expenditures/Payments	807		2,315		
	Total Payments	5,335,729	752,415	5,318,309		179,167
	Increase/(Decrease) in Cash	(238,642)		(557,034)		
	Cash at the beginning of the FY	383,587		964,074		
	Increase/(Decrease) in Cash	(238,642)		(557,034)		
	Foreign currency translation difference	2,238		(23,453)		
2	Cash at the End of the FY	147,183		383,587		



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



Ensuring Accountability of Public Resources


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

9/23/2020
.....

Date


..... September 23, 2020

Comptroller,
General Auditing Commission, Liberia

.....
Date



Ensuring Accountability of Public Resources

General Auditing Commission
 Financial Statements
 For the Fiscal Year Ended June 30, 2020



GENERAL AUDITING COMMISSION
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

- Budget Approved on the Cash Basis

ACCOUNT TITLE/DESCRIPTION	Actual Amount (A)	Final Budget (B)	Original Budget (C)	Difference: Final Budget and Actual (D) = (B-A)	Percentage Variance (E) = (D/B) %
	US \$	US \$	US \$	US \$	
CASH INFLOWS					
Authorized Allocation/Appropriation	4,567,784	4,593,864	4,491,655	26,080	57%
Grants	752,415	-	-	-752,415	-
Other receipts	529,303	-	-	-529,303	-
Total Receipts	5,849,502	4,593,864	4,491,655	-1,255,638	-27%
CASH OUTFLOWS					
Wages, Salaries and Employee Benefits	4,451,716	4,108,614	4,006,405	-343,102	-8%
Goods and Services Consumed (See Note 11)	1,565,318	485,250	485,250	-1,080,068	-223%
Purchase/Construction of Property, Plant, & Equipment	70,303	-	-	-70,303	-
Other Payments	807	-	-	-807	-
Total Payments	6,088,144	4,593,864	4,491,655	-1,494,280	-33%
NET CASH FLOWS	(238,642)	-	-	238,642	

* Actual amounts encompass both cash and third-party settlements.



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

	Currency Held In	Notes	As At June 30, 2020	As At June 30, 2019	Change in Cash Balances
Cash/ Bank Account Details		2			
Bank Accounts					
Guaranty Trust Bank (206600000210) –Operations A/C	USD		4,558	11,395	6,837
Guaranty Trust Bank (206600000110) –Operations A/C	LRD		4115	8,590	4,475
Guaranty Trust Bank (206600000211) –Payroll A/C	USD		3,032	12,170	9,138
Guaranty Trust Bank (206600000111) –Payroll A/C	LRD		919	1,477	558
Guaranty Trust Bank (200000000000) –EU-11 th EDF	USD		121,361	330,996	209,635
Guaranty Trust Bank (206600000111) –Project Audit A/C	USD		3,316	-	(3,316)
UBA Prepaid Card #5	USD		1,370	1,906	536
Total Cash in Banks			138,671	366,534	227,863
Petty Cash Account					
Petty Cash on Hand	USD		515	869	354
Cash Held by Others for Reimbursement/Refund/Repayment					
Cash Held In Staff Advances	USD		7,997	13,593	5,596
Cash-In-transit	USD		-	-	-
Excess Of Refund On Other Payments By IPFMRP	USD		-	2,591	2,591
Total Cash Held By Others			7,997	16,184	8,187
Total Cash And Bank Balances			147,183	383,587	236,404

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

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 198.30 LRD. 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, and petty cash balances.

	FY 19/20	FY 18/19
	US\$	US\$
Cash Available in Banks	138,671	366,534
Cash Held by others	7,997	13,593
Petty Cash	515	869
Reimbursable Cash-In-transit	-	2,591
Total	147,183,	383,587

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

3. Authorized Allocations

The total amount of Authorized Allocations received for FY2019/20 is presented below comparatively: The compensation of employees constitute US\$4,080,234 as employee compensation for fiscal period 2019/2020, US\$355,363 which represents the June 18/19 flow-over to July 19/20 and US\$21,291 which constitutes the retirement of six (6) employees.

	FY 19/20	FY 18/19
	US\$	US\$
Compensation of Employees	4,456,888	3,958,511
Goods and Services	110,896	459,926
Total	4,567,784	4,418,437

4. External Assistance

The Long-Term Technical Assistance (LTTA) under the EU 11th EDF made payment on behalf of the Commission. Under the EU 11th EDF-LTTA component, Commission benefitted from several in-house trainings and other institutional capacity building initiatives. The IPFMRISP made payment on our behalf for two (2) vehicles to clear audit backlog, and initial payment for the installation of a solar back-up battery bank system. The Commission also received financial support from the INTOSAI Development Initiative (IDI) for the SAI Young Leaders & SAI

*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



Leadership International, the IDI Fighting Corruption Program, IDI SAI Fighting Corruption (SFC) review Workshop on Implementation of ISSAI and Relevant SAI UN Meeting. Under this assistance, the IDI made payment on our behalf.

	FY 19/20	FY 18/19
	US\$	US\$
EU (11 th EDF -LTTA)	656,721	146,493
PFMRISP (Pool Fund)	75,455	-
IDI	20,239	32,674
Total	752,415	179,167

Below is a detail of Undrawn External Assistance.

	Budgeted	Actual	Balance
PFMRISP – AFDB	270,000	113,350	156,650
PFMRISP	750,00	134,913	615,087
EU (11 th EDF Project)	3,697,322	1,566,013	2,131,309
Total	4,717,322	1,814,276	-
Total Undrawn External Assistance			2,903,046

5. Other Receipts

The Commission received fees as reimbursement for audit costs from the Project audit as seen in appendix-3, AIDSPAN, refund for the audit of the GAC received from PFMRISP and other miscellaneous receipts. These amounts were received and controlled by the Commission through its bank accounts.

	FY 19/20	FY 18/19
	US\$	US\$
Audit Fees/Cost	449,202	335,978
AIDSPAN	6,000	-
PFMRISP (refund)	59,458	-
Miscellaneous Receipts	14,643	6,860
Total	529,303	342,838

6. Wages, Salaries and Employee Benefits

This amount represents payment to employees of the GAC as remuneration on a monthly basis. As seen from the below figure, the July figure of US\$721,033 constitutes the June salary of fiscal period FY18/19, the July salary of FY19/20 as well as retirement benefits.

	FY 19/20	FY 18/19
	US\$	US\$
July	721,033	362,304
August	365,835	360,203



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



	FY 19/20	FY 18/19
	US\$	US\$
September	344,826	361,070
October	336,181	364,929
November	334,789	361,754
December	334,789	361,078
January	334,125	344,403
February	332,251	15,360
March	332,568	358,386
April	331,594	357,243
May	331,979	354,798
June	351,746	354,407
Total	4,451,716	3,955,935

7. Use of Goods and Services

In general, all expenses are recognized in the statement of Cash Receipts and Payments when payments are made. Some of these payments flow over from the previous fiscal year. Below are the amounts disbursed for goods and services and broken down according to economic classifications:

	FY 19/20	FY 18/19
	US\$	US\$
Foreign Travel - Means of Travel	3,108	24,029
Water & Sewage	9,780	15,115
Telephone, Fax, Internet, P&C	5,578	52,083
Fuel & Lubricants – Vehicles & Generators	-	100,449
Repair & Maintenance-Vehicles	19,093	63,264
Repair & Maintenance-Machinery, Equipment & Furniture	2,286	6,214
Stationery	1,250	9,874
Printing, Binding & Publication Service	16,522	46,880
News Papers, Books & Periodicals	341	2,207
Other Office Materials & Consumables	3,398	10,209
Audit Expense/Fees	579,651	420,708
Entertainment, Representations & GI	3,062	9,034
Subscription (Members Fees & Dues)	5,427	14,043
Legal Dues & Compensations	720	350
Personnel Insurance	21,375	80,192
Vehicle Insurance	-	27,961
EU/11th EDF Project-Direct support	141,312	436,394
Subtotal	812,903	1,319,006



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



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

	FY 19/20	FY 18/19
	US\$	US\$
IDI Support	20,239	32,647
Subtotal	20,239	32,647
Grand Total	833,142	1,351,653

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.

The PFMRISP purchased two vehicles to clear audit backlog and also made part-payment on the solar panel battery bank contract. There were also purchases made under the EU/ 11th EDF Project on fixed assets. The purchase of several assorted ICT equipment was implemented under the PFMRISP. Schedule of the aforementioned items is provided below:

	FY 19/20	FY 18/19
	US\$	US\$
Capital Expenditure		
PFMRISP	75,455	-
EU/ 11 th EDF Project	70,303	41,053
Total	145,758	41,053

10. Other Expenditure/ Payments

The GAC incurred bank service charges and exchange losses/gains from operational transactions. These outflows are summarized as other payments.

	FY 19/20	FY 18/19
	US\$	US\$
Bank Charges	3,192	2,983
Exchange Losses/gains	-2,385	-667
Total	807	2,315

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, the actual expenditure of the EU 11th EDF project in goods and services and the acquisition of fixed assets exceeded the budget by -223%. Please note that actual amount encompasses both cash and third-party settlement. Additionally, the percentage variance of -8% is as a result of June 2019 salaries being paid in in July 2019 thereby flowing over to Fiscal year 2019/2020.



General Auditing Commission
 Financial Statements
 For the Fiscal Year Ended June 30, 2020



12. Liabilities and Commitments

At the close of the fiscal year, the GAC's total liability position was US\$2,921,287. Of this amount, US\$2,774,104 represents the Commission's accrued total contribution to the National Social Security and Welfare Corporation (NASSCORP) from 2007 to June 2020, while US\$147,183 represents liabilities and commitments to vendors for goods and services provided. The Commission has placed the employer's component (6%) in its 2020/2021 fiscal year budget to ensure that this is settled.

APPENDICES

APPENDIX 1 - Liabilities and Outstanding Commitments for fiscal Year ended June 30, 2020

No.	Economic Classification	Currency	
1	Audit Expenses	US\$	126,440
2	Fuel & Lubricants	US\$	11,644
3	Personnel Insurance	US\$	9,099
4	NASSCORP Liability	US\$	2,774,104
GRAND TOTAL			2,921,287

APPENDIX 2 - DETAILS OF FIXED ASSET PAYMENTS DURING THE PERIOD 1ST JULY 2019 - 30TH JUNE 2020

Fixed Asset Type	Qty	Description	Amount US \$
ICT Equipment	4	HP Scanjet Network Scanner Model: Pro 500 FN1	3,940
ICT Equipment	8	Dell AIO Desktop Model: 7460 AIO	16,792
ICT Equipment	3	Processor 17 8 Gen 12GB Ram (DDR4 SDRAM-NON-ECC)	4,743
ICT Equipment	1	Synology 8 Bay NAS DiskStation DS1817 Network	3,137
ICT Equipment	3	CISCO Catalyst 2960-L 48P	4,800
ICT Equipment	1	QNAP TS-863U-2U 8 Bay NAS RACK Mount	6,250
ICT Equipment	1	Iriduim Network Cabinet 42U Server Rack Mount	750
ICT Equipment	1	HPE Proliant DL380 Gen9 24SFF Server	20,970
ICT Equipment	2	SEAGATE Extended Drive -2TB	420
ICT Equipment	1	OMEGA wireless Keyboard	25
ICT Equipment	4	Genter Wireless Mouse	100
ICT Equipment	4	Cruzer Blade 32GB	112
ICT Equipment	1	Paper Shredder 15 Sheet Capacity	220
ICT Equipment	1	HP Laserjet Scanner, Copier with starter Catridge	680
ICT Equipment	1	QuickBooks Premier 2018 5 users Nonprofit Edition	4,000
ICT Equipment	1	HP Probook 450-G5, 8GB Ram, 1 TB HDD-2GB	1,620
ICT Equipment	1	Shredder-Shreds UP to 24 Sheet at once 6.56 feet	485
ICT Equipment	1	Canon 1-Sensys m217w printer, Mano laser 3 in 1	410
ICT Equipment	1	Dell Optiplex 3040 Destop, Hard Drive 1TB SATA	849
		Sub total-EU 11th EDF-Direct	70,303
Logistic	2	Vehicle	52,000
Battery Bank	1	Battery Bank (Initial Payment)	23,455
		Sub total - IPFMRISP	75,455
		Grand Total-Fixed Assets	145,758



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



Appendix 3-DETAILS OF OTHER RECEIPTS FOR THE FISCAL PERIOD ENDED JUNE 30, 2020		
Project Name	Agency	Amount
AIDSPAN-GF-training	AIDSPAN	6,000
Central Agriculture Research Institute (CARI)	Central Agriculture Research Institute (CARI)	3,190
Employee Biometrics Identification and Record System (EBIRS)	Civil Service Agency (CSA)	19,000
Public Sector Modernization Project (PSMP)	Civil Service Agency (CSA)	5,000
Readiness Carbon Partnership Facility Pro (FCPF)	Forestry Development Authority (FDA)	9,000
Liberia Forest Sector Project (LFSP)	Forestry Development Authority (FDA)	36,000
John F. Kennedy Medical Center (JFK)	John F. Kennedy Medical Center (JFK)	10,000
Liberia Electricity Corporation (LEC)	Liberia Electricity Corporation (LEC)	6,000
Liberia Accelerated Electricity Expansion Project (LACEEP)-Additional funding	Liberia Electricity Corporation (LEC)	9,190
Liberia Energy Efficiency Access Project (LEEAP)	Liberia Electricity Corporation (LEC)	7,310
Liberia Land Administration Project - LLAP	Liberia Land Authority (LLA)	11,000
Liberia Maritime Authority: LMA-AUD-16/17 & 17/18	Liberia Maritime Authority (LMA)	40,000
Liberia Urban Water Supply Project (LUWSP)	Liberia Water and Sewer Corporation (LWSC)	15,000
Micro, Small and Medium Enterprise (MSME)	Ministry of Finance & Dev. Planning (MFDPA)	5,400
Liberia Social Safety Nets Project (LSSNP)	Ministry of Gender, Children and Social Protection (MGCSP)	5,000
Economic Recovery of Rice Farmer in Ebola Affected Counties Project (J-Rice)	Ministry of Agricultural (MOA)	4,457
Tree Crop Extension Project (TCEP)	Ministry of Agricultural (MOA)	9,555
Getting to Best in Education Project (GPEG2B)	Ministry of Education (MOE)	9,000
Improving Result in Secondary Education Project (IRISE)	Ministry of Education (MOE)	6,500
Regional Disease Surveillance System Enhancement Project (REDISSE)	Ministry of Health (MOH)	19,500
Health System Strengthening Project (HSSP)	Ministry of Health (MOH)	20,000
Fixed Amount Reimbursement Agreement (FARA)	Ministry of Health (MOH)	25,000
Ebola Emergency Response Project (EERP)	Ministry of Health (MOH)	30,000
Liberia Road Asset Management Project (LIBRAMP)	Ministry of Public Works (MPW)	30,000



*General Auditing Commission
Financial Statements
For the Fiscal Year Ended June 30, 2020*



Appendix 3-DETAILS OF OTHER RECEIPTS FOR THE FISCAL PERIOD ENDED JUNE 30, 2020		
Project Name	Agency	Amount
Youth Opportunity Project (YOP)	Ministry of Youth and Sports (MYS)	22,000
National Social Security and Welfare Corporation (NASSCORP)	National Social Security and Welfare Corporation (NASSCORP)	28,500
National Port Authority (NPA)	National Port Authority (NPA)	25,000
Liberia Renewable Energy Access Project (LREAP)	Rural & Renewable Energy Agency	12,000
Miscellaneous	PFMRISP, AIDSPAN, USAID, EU Support and Others	100,701
Grand Total		529,303.0

