



## Management Letter

**On The Financial Statement Audit of the Liberia Land Administration Project (LLAP)**

*For the Period Ended December 31, 2022*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia  
June 2023**

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**Acronyms/Abbreviations/Symbols**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
ACCA	Association of Chartered Certified Accountants
A/C#	Account Number
AG	Auditor General
APA	Assistant Project Accountant
BEP	Bid Evaluation Penal
BCP	Business Continuity Plan
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CPA	Certified Public Accountant
CORS	Continuously Operating Reference Stations
DRP	Disaster Recovery Plan
GAC	General Auditing Commission
GoL	Government of Liberia
IDA	International Development Association
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
LLA	Liberia Land Authority
LLAP	Liberia Land Administration Project
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance and Development Planning
M & E	Monitoring and Evaluation
MSC	Ministerial Steering Committee
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PMU	Project Management Unit
PPC Act	Public Procurement & Concessions Act
PPCC	Public Procurement and Concessions Commission
PV	Payment Voucher
SPA	Senior Project Accountant
US\$	United States Dollar



*Management Letter on The  
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For the Period Ended December 31, 2022*

June 30, 2023

Atty. J. Adams Manobah, Sr.

**Chairman**

**Liberia Land Authority (LLA)**

Ashmun & Gurley Streets

Monrovia, Liberia

Dear Atty. Manobah:

**Re: Management Letter on the Financial Statement Audit of the Liberia Land Administration Project (LLAP) for the period July 1, 2021 to December 31, 2022.**

The financial statements of the Liberia Land Administration Project (LLAP) are subject to audit by the Auditor-General in terms of Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as in accordance with the Engagement Term of Reference (ToR).

**Introduction**

The audit of the LLAP for the period ended July 1, 2021 to December 31, 2022 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

**Audit Scope and Methodology**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) as well as the Engagement (Audit) Terms of Reference. These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual Financial Statements.

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

The audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.



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The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the LLAP Management. Our responsibility is to express our opinion on these financial statements.

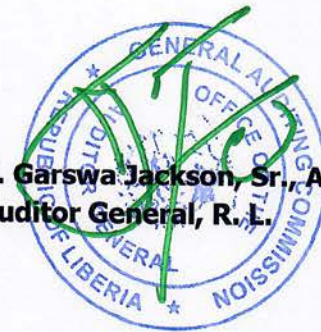
The audit findings which were identified during the course of the audit are included below.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

**APPRECIATION**

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the project during the audit.

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



**Monrovia, Liberia  
June 2023**



## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Statements Issues

#### 1.1.1 Prior Year Financial Statement Figure Not Reconciled

##### Observation

- 1.1.1.1 Section 1.3.27 of IPSAS Cash Basis of Accounting requires that "financial statements shall present information that is: (a) Understandable; (b) Relevant to the decision-making and accountability needs of users; (c) A faithful representation of the cash receipts, cash payments and cash balances of the entity and the other information disclosed in the financial statements in that it is: (i) Complete; (ii) Neutral and (iii) Free from material error;"
- 1.1.1.2 During the audit, we observed that the total final amounts per prior year audited financial statements and corresponding amounts reported in current year financial statements revealed a series of variances. **See table 1 below for details.**

**Table 1: Prior Year Financial Statements Figure Analysis**

Components	Prior Year		
	Final amounts per prior year Audited Statements	Corresponding amounts per current year financial statements	Variance
	US\$	US\$	US\$
Support to the Liberia Land Authority	838,134	838,194	-60
Project Coordination, M & E	439,524	438,903	621

##### Risk

- 1.1.1.3 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated.
- 1.1.1.4 A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statement.

##### Recommendation

- 1.1.1.5 Management should rectify the significant variances observed between the prior year audited statement and corresponding amounts reported in current year financial statements.
- 1.1.1.6 Going forward, Management should ensure that the current period opening balances reconciled with prior year closing balances reported in the audited financial statements.



**Management's Response**

- 1.1.1.7 *This issue was raised earlier during the audit and we have resolved it in the revised Financial Statement submitted. See Exhibit I*

**Auditor General's Position**

- 1.1.1.8 We acknowledge Management's acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.

**1.1.2 Signing Date of The Financial Statements Not Specified**

**Observation**

- 1.1.2.1 Paragraph 1.4.5. of the IPSAS Cash basis reporting framework states "An entity shall disclose the date when the financial statements were authorized for issue and who gave the authorization. If another body has the power to amend the financial statements after issuance, the entity shall disclose that fact."

- 1.1.2.2 Also, regulation I.11. of the PFM Act of 2009 -Annual Government Agency Accounts, states "(1) There shall be prepared by the head of government agency or an administrator or head of any Government agency and transmitted to the, the Minister and the Comptroller-General in respect of the year, accounts covering all Public Funds under his control. The accounts shall be submitted within a period of two months after the end of each fiscal year, or such other period as the Legislature may by resolution appoint, and shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia."

- 1.1.2.3 During the audit, we observed that the financial statements signed by the Deputy Director of Donor Financed Projects did not specify the actual date the financial statements were prepared and signed.

**Risk**

- 1.1.2.4 It is unlikely that financial statements users may want to place reliance on the financial statements if the issuance date is not specified to establish the cut-off period.

**Recommendation**

- 1.1.2.5 The date of preparation of the financial statements should be provided adjacent to the signatures of the authorizers.

**Management's Response**

- 1.1.2.6 *This issue was raised earlier during the audit and we have resolved it in the revised Financial Statement submitted. See Exhibit I.*

**Auditor General's Position**

- 1.1.2.7 We acknowledge Management's acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.



### 1.1.3 No Explanation for Material Variance

#### Observation

- 1.1.3.1 Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017) provides that an entity that makes publicly available its approved budget(s) shall present a comparison of the budget amount for which it is held publicly accountable and actual amounts either as a separate additional financial statement of an additional budget columns in the statement of cash receipts and payments. The comparison of budget and actual amount shall present separately for each level of legislative oversight: By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and cross reference to those documents is made in the notes.
- 1.1.3.2 During the audit, we observed that the Project Financial Statements include a Statement of Comparison of Budget and Actual amount which shows material variances. However, the statement did not include notes for the explanation of the material variances. **See table 2 below for details.**

**Table 2: Material Variances Without Explanation**

Activities Within Components	Project Allocation \$	Annual \$	Actual Expenditure \$	Variance \$
Funds By Activity Within Components to the Liberia Land Authority	2,290,000.00	972,151.00	971,151.00	1,000.00
Support for Inventory & Analysis	1,120,000.00	1,249,620.00	610,501.00	639,119.00
Development of a Land Administration System	1,570,000.00	1,509,790.00	553,444.00	956,346.00
Project Coordination, M & E	2,020,000.00	759,821.00	758,822.00	999.00
<b>Grand Total</b>	<b>7,000,000.00</b>	<b>4,491,382.00</b>	<b>2,893,918.00</b>	<b>1,597,464.00</b>

#### Risk

- 1.1.3.3 Failure to include notes or explanation for material variances between budgetary and actual amounts in the financial statements may deny users of the financial statements information needed to make informed decisions.
- 1.1.3.4 Fair presentation and full disclosure may be impaired.

#### Recommendation

- 1.1.3.5 Management should ensure that full and adequate disclosures are made for material





variance (s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017).

**Management’s Response**

1.1.3.6 *This issue was raised earlier during the audit and we have resolved it in the revised Financial Statement submitted. See Exhibit I*

**Auditor General’s Position**

1.1.3.7 We acknowledge Management’s acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.

**1.1.4 Un-presented Checks and Non-remittance of Withholding Taxes**

**Observation**

1.1.4.1 Section 6.5.1 of the PFMU Financial Procedure Manual requires that “All Cash Books shall be reconciled monthly to the bank statements within 10 working days of the month end. Differences arising there from shall be investigated and promptly. Un-presented checks will be written back in the Project’s books of accounts one month after the negotiated period of six (6) months has elapsed.”

1.1.4.2 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates that “within 10 days after the last day of the month, a payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month”.

1.1.4.3 Section 905(m) also states that “a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to section 52 penalty for late payment and failure to pay”.

1.1.4.4 During the audit, we observed that Management maintained unrepresented checks amounting to US\$60,529.37 on its bank reconciliation statements from October 31, 2020 to December 31, 2022 which have not been written back in the Project’s books of accounts nor remitted as withholding taxes in the General Revenue Account up to the time of the audit.

1.1.4.5 Additionally, Management maintained on its bank reconciliation statements, “erroneous debits” totaling US\$1,115.67 from May 29, 2021 to April 2022 without evidence of been credited back in the Project’s account up to the time of the audit. **See tables 3 (a) and (b) for details.**

**Table 3 (a): Unpresented Checks**

Description	Medium of payment	Date	PV Number	Amount in US\$
General Revenue Account	Transfer	31-Oct-20	LLAP/2021/08	104.20
General Revenue Account	Transfer	31-Oct-20	LLAP/2021/09	7.72
General Revenue Account	Transfer	31-Oct-20	LLAP/2021/10	1,178.63
General Revenue Account	Transfer	31-Oct-20	LLAP/2021/11	1,540.00



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Description	Medium of payment	Date	PV Number	Amount in US\$
General Revenue Account	Transfer	31-Oct-20	LLAP/2021/12	1,540.00
General Revenue Account	Instruction	21-Oct-20	2021/086	4,254.56
General Revenue Account	Instruction	21-Oct-20	2021/087	15,615.73
General Revenue Account	Instruction	5-Feb-21	2021/155	24.30
General Revenue Account	Instruction	5-Feb-21	2021/157	458.60
General Revenue Account	Instruction	18-Mar-21	2021/187	323.68
General Revenue Account	Instruction	12-Apr-21	2021/223	550.00
General Revenue Account	Instruction	8-Dec-21	2022/129	400.00
General Revenue Account	Instruction	8-Dec-21	2022/131	170.44
General Revenue Account	Instruction	8-Dec-21	2022/133	184.80
General Revenue Account	Instruction	8-Dec-21	2022/135	13,750.00
General Revenue Account	Instruction	8-Dec-21	2022/137	9.73
General Revenue Account	Instruction	8-Dec-21	2022/141	840.00
General Revenue Account	Instruction	19-Jan-22	2022/0168	7,391.11
General Revenue Account	Instruction	19-Jan-22	2022/0169	400.00
General Revenue Account	Instruction	19-Jan-22	2022/0170	379.06
General Revenue Account	Instruction	19-Jan-22	2022/0173	3,171.85
General Revenue Account	Instruction	21-Jan-22	2022/0177	106.25
General Revenue Account	Instruction	28-Jan-22	2022/0184	859.17
General Revenue Account	Instruction	28-Jan-22	2022/0186	160.00
General Revenue Account	Instruction	21-Jul-22	2022/303	7,109.54
<b>Total</b>				<b>60,529.37</b>

**Table 3 (b): Erroneous Debits**

Description	Date	Amount in US\$
4% Presumptive Tax	29-May-21	110.40
10% Presumptive Tax	29-May-21	100.00
10% Presumptive Tax	1-Jun-21	100.00
2% Presumptive Tax	1-Jun-21	12.45
United Office Supplies & Equipment	28-Apr-22	792.82
<b>Total</b>		<b>1,115.67</b>

**Risk**

- 1.1.4.6 Failure to prepare bank reconciliations may lead to untimely detection of errors or omissions, and fraud. Management may not be able to fully account for Donor funds received.
- 1.1.4.7 Failure to withhold and remit taxes may deny GoL of much needed tax revenue.
- 1.1.4.8 Management may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay.



**Recommendation**

- 1.1.4.9 Management should ensure that monthly bank reconciliation of all its bank accounts during the fiscal period are appropriately prepared and reviewed by senior level staff with the required qualification and competence. Unpresented checks in the bank reconciliation statements which are beyond six (6) months should be reversed from the cash book and the bank reconciliation statements and the checks duly voided. All erroneous transactions identified in the cash book and bank statements should be investigated and adjusted where applicable on a monthly basis.
- 1.1.4.10 Monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.
- 1.1.4.11 Management should facilitate full withholding and remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000.
- 1.1.4.12 Evidence of tax withholding and remittances should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.4.13 *PFMU has worked and continue to engage with the stakeholders on this GOL flag receipts (evidence of tax payments) issue for tax payment. The LRA indicated that the PFMU is not regarded as one of her Collectorate that can issue flag receipt.*
- 1.1.4.14 *Notwithstanding, LRA has encouraged PFMU to ensure that tax payments are made on behalf of consultants and vendors to the General Revenue account either via the LRA tax remittance forms or via the issuance of checks which will be evidenced / captured by their system and the consultant or vendor can later claim their tax credit from the LRA system. Tax payment is easy for some Bank but takes considerable amount of time for others.*

**Auditor General's Position**

- 1.1.4.15 Management's assertion is not supported by documentary evidence. Also, the unpresented checks and erroneous transactions identified have not been subsequently adjusted. Therefore, we maintain our findings and recommendations.

**1.1.5 Unutilized Service Level Agreements**

**Observation**

- 1.1.5.1 Section 2.5 of the PFMU Financial Procedure Manual requires that "The Project Financial Management Unit (PFMU), under a service contract arrangement evidence by a Memorandum (MoU) between it and the Implementing Units, undertake to perform the financial Management functions of the Projects / Program being implemented by the different implementing units. The basic functions of the PFMU will be fund management to include accounting, planning, budgeting, reporting, internal control, internal auditing, and



funds withdrawal. The Implementing Units will have the responsibility of achieving project objectives by providing an overall framework for planning, executing, controlling, monitoring and evaluating project / program activities.”

1.1.5.2 During the audit, we observed that Management signed a service level agreement valued at US\$82, 601.11 with Tremble Navigation Ltd for the provision of Continuously Operating Reference Stations (CORS) system for land survey use purpose which has not been utilized.

1.1.5.3 Additionally, on the request of Tremble Navigation Ltd, Management contracted Fiber Service Agreement valued at US\$17,856 with Lonestar Communications Corporation for the provision of internet service for the CORS system. However, said service was not materialized to get the CORS operational.

**Risk**

1.1.5.4 Failure to utilize CORS system may lead to non-efficient and non-effective land management services.

1.1.5.5 Payment for service without been utilized may lead to waste of Donor funds.

1.1.5.6 Project objective may not be achieved.

**Recommendation**

1.1.5.7 Management should ensure that the services should be utilized.

**Management’s Response**

1.1.5.8 *The LLA signed an agreement with Trimble for the provision of a CORS at a value of \$82, 601.11. In September 2021, the LLA entered into a contract with the Lone Star Communication Corporation (LCC) for the provision of internet service to operationalize the CORS for a period of one year. The CORS was operational for a period of one year (Sept 2021-Sept 2022). By the end of the first year of the contract, the project was nearing the end and there was insufficient funding to renew the contract with LCC. The CORS have been out of internet service for the past nine (9) months (Oct 2022- Jun 2023) but it is still being used for statis recording but cannot broadcast over the internet. The LLA has been making frantic efforts to get budgetary support from the GOL for the operations and maintenance of the CORS which have not materialized up to date. The LLA is also currently engaging other partners to support the operations of the CORS.*

**Auditor General’s Position**

1.1.5.9 Management’s assertion is not supported by documentary evidence. Going forward, Management should ensure that approved terms, conditions and benefits for service contracts are appropriately utilized. Evidence of service performance reports and completion of service certificates should be adequately documented and filed to facilitate future review. Therefore, we maintain our findings and recommendations.



### 1.1.6 Expenditure Not in Line with Approved Annual Work Plan & Budget

#### Observation

- 1.1.6.1 Section 13.2.1 of the PFMU Financial Procedure Manual requires that "In accordance with Sections 4.3 to 4.5, the implementing units and PFMU prepare the Annual Work Plans and Budgets for each project / program by June 1 for the ensuing year. From the approved Annual Work Plans and Budgets, the goods, works and services that are required for the year are identified and listed by the Procurement Officer. From this list, a Procurement Plan (Appendix 26) for the year is prepared for the categories of expenditure by the Procurement Officers at the Implementing Units. The procurement Plan Shall be approved as per the financing agreement by IDA / AfDB and the case of the education Pooled Fund by the AB. The plan once approved becomes effective and forms the basis of procurement and disbursement".
- 1.1.6.2 During the audit, we observed that Management made payments totaling US\$19,050 which were not in line with the approved annual work plan and budget. **See table 4 below for details.**

**Table 4: Payments without adherence to workplan & budget**

Transaction Date	Voucher Number	Description	Check Number	Amount US\$	Comment
8/9/2021	2022/027	10staff training:AMEU	164529	19,050	Not seen in procurement and work plan

#### Risk

- 1.1.6.3 Disbursements outside of approved work plan and budget may lead to misapplication and misappropriation of project funds.
- 1.1.6.4 Funds may not be available to facilitate approved expenditures to fulfil project objectives.

#### Recommendation

- 1.1.6.5 Management should ensure that payments are made on the basis of approved work plan and budget.
- 1.1.6.6 In an instance wherein, an expenditure is deemed expedient but was not inclusive in the approved work plan and budget, Management should recast and prepare a supplementary budget and obtain approval from the relevant authority.
- 1.1.6.7 Evidence of approved recast budget along with all relevant supporting documents should be adequately filed to facilitate future review.

#### Management's Response

- 1.1.6.8 *As per the approved 2021/ 2022 work plan and budget the amount of US\$25,000 was allocated for training in line with the LLA training plan. See Exhibit II*



**Auditor General's Position**

1.1.6.9 Management's assertion is not supported by documentary evidence. The information subsequently provided by Management after our audit execution did not include Exhibit II. Therefore, we maintain our findings and recommendations.

**1.1.7 Third Party Payment**

**Observation**

1.1.7.1 Section 6.4.1 of the PFMU Financial Procedure Manual requires that "All payment vouchers and checks shall be written in the name of the beneficiary that appears on the supporting documents."

1.1.7.2 During the audit, we observed that a payment of US\$ 2,751 was made for catering services in the name of a staff instead of the vendor's name.

1.1.7.3 Additionally, there was no evidence that the beneficiary received said payments. **See table 5 below for details.**

**Table 5: Third Party Payments**

Transaction Date	Voucher Number	Description	Check Number	Amount US\$	Comment
3/2/2022	2022/0208	Catering etc:E.F.Karneh	N/A	2,751.00	Third party payment; No RFQ process, no evidence of check.

**Risk**

1.1.7.4 Paying cash to employee for subsequent disbursement to project staffs may facilitate misappropriation of funds.

**Recommendation**

1.1.7.5 Management should provide substantive justification for making payments to individuals other than beneficiaries or authorized representatives.

1.1.7.6 Going forward, Management should ensure that payments are made directly to beneficiaries or authorized representatives.

**Management's Response**

1.1.7.7 *This amount was disbursed for hall rental and catering services for the training of stakeholder on the Environmental and Social Risks Management Plan (ESRMP) Training Workshop for the LLA County Land Offices in four counties (Bomi, Bong, Lofa, Grand Bassa and Grand Gedeh Counties). According to the Project Implementation Manual (PIM), page # 25, fiduciary assurances are provided through an independent audit of the project, ensuring project funds are used only for the intended purposes in an efficient and economical way.*



1.1.7.8 However, because funds allocated for catering services and hall rental for the four counties was not a very significant amount and recognizing that there were challenges in getting quotations from small business owners in these counties as procurement activities were mainly conducted from the PIU in Monrovia, it was agreed that the amount be provided to the LLAP's Safeguard Specialist (Emmanuel Kanneh) who was in charge of conducting the workshops and receipts be made available upon completion of activities to ensure full disbursement of the amount which were submitted to the PFMU.

**Auditor General's Position**

1.1.7.9 Management's assertion did not adequately address the issue raised. Going forward, procurement transactions for training activities which include catering services and DSA payments should be disaggregated. Vendors for catering services should be sourced using the required procurement method and DSA payments should be paid directly to the beneficiaries consistent with PFMU Financial Procedures Manual. Therefore, we maintain our findings and recommendations.

**1.1.8 Transaction Without Supporting Documentation**

**Observation**

1.1.8.1 Section 9.1 of the World Bank procurement regulations states that "The Borrower shall retain all documentation, and shall furnish such documentation to the Bank upon request, with respect to each contract subject to post review, according to the requirements of the Legal Agreement. This documentation shall include, but is not limited to: a. complaints, the signed original of the contract and all subsequent amendments or addenda, b. the Bids/Proposals evaluation report, and the recommendation for award; and c. the payment invoices or certificates, as well as the certificates for inspection, delivery, completion, and acceptance of Goods, Works, and Non-consulting Services, for examination by the Bank or by its consultants/auditors".

1.1.8.2 During the audit, we observed that payments amounting to US\$ 279,913.64 were made without supporting documents. **See annexure 2 below for details.**

1.1.8.3 Additionally, Management made payments amounting to US\$ 33,574.25 without adequate supporting documentations. **See table 6 below for details.**

**Table 6: Payment Without Adequate Supporting Documents**

Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
1/6/2022	2022/0155	50% adv pmt fr CS Solutio	2903	17,789.05	No evidence of completion of service
4/20/2022	2022/0246	50works: Four Dimensions	N/A	15,785.20	No Evidence of No Objection.



Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
<b>Total</b>				<b>33,574.25</b>	

**Risk**

- 1.1.8.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of the project's funds.
- 1.1.8.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.8.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

**Recommendation**

- 1.1.8.7 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations.
- 1.1.8.8 Evidence of all relevant supporting documents should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.1.8.9 *Point 1: US\$279,913.64- As per the annex, the following activities (National Geodetic Network and Preparation of Land Survey Standards, Piloting Land Use Inventory in Rural Customary Communities, Conduct of Baseline Studies) were all activities that were cancelled during a World Bank implementation mission due to lack of funding or time constraints*
- 1.1.8.10 *Point 2: \$33,574.25 - Four Dimension- No objection- This activity was approved by the Bank in the annual work plan and is a post review. Therefore, the payment did not required No Objection as the auditor is requesting for these payments. All the payment mention here procurement were done in the last fiscal year and was reviewed by the previous auditor. See Exhibit III( Payment Vouchers)*

**Auditor General's Position**

- 1.1.8.11 Management's assertion is not supported by documentary evidence. Transactions amounting to US\$279,913.64 catalogued in Annexure II of our report were obtained from the general ledger and represent actual expenditures. Therefore, Management's assertions that these were cancelled activities were not supported by documentary evidence nor were these transactions reversed from the general ledger. Transactions amounting to \$33,574.25 catalogued in Table 6 of our report were also recorded in the general ledger and represent actual expenditures for the period under audit. These transactions were also not reversed





from the general ledger for the period under audit. Therefore, we maintain our findings and recommendations.

## 1.2 Compliance Issues

### 1.2.1 Procurement Irregularities

#### Observation

1.2.1.1 Section 7.2.2 of the PFMU Financial Procedure Manual requires that "Procurement for goods and services must follow the procedures outline in section 13.1 to 13.93 of this manual. Those sections describe the procedures for raising of requisition, obtaining at least 3 quotations, evaluation and ordering process, and should precede request for payment for goods and services."

1.2.1.2 During the audit, we observed that payments totaling US\$ 206,810.75 were disbursed for the procurement of goods and consultant services without tax clearance, business registration certificates and bidding documents as indicated in the table below. **See tables 7 below for details.**

**Table 7: Procurement Irregularities.**

Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
9/29/2021	2022/054	80% fr works:T&T Trading	2762	41,600.64	No evidence of procurement process.
7/5/2022	2022/296	30% works-Gateway Design	19807	29,946.06	No evidence of procurement process.
11/24/2021	2022/0116	Internet access:Lonestar	2846	17,498.88	No delivery note, Local purchase order and evaluation meeting minutes
8/2/2022	2022/309	14% works-Four Dimensions	19814	13,967.62	No evidence of 3 quotations for the award of contract. No evidence of World Bank No Objection.
6/23/2022	2022/287	60%fees: Raymond Atuguba		9,205.50	No evidence of bidding process.



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Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
7/20/2021	2022/011	Feb-May fuel:Total Liberi	164511	9,055.20	No evidence of RFQ process; no delivery note.
12/8/2021	2022/0132	Fuel:Total Liberia	2852	9,055.20	No evidence of 3 quotation.
6/8/2022	2022/282A	Civil Works-Four Dimensio	19756	8,238.00	No evidence of RFQ process for the award of contract.
10/19/2022	2022/331	10% renovation:Gateway	41805	8,081.80	No evidence of bidding process.
1/28/2022	2022/0183	Fumigation:YSK Agr.&Pets		7,732.53	No evidence of delivery note
12/19/2022	2022/352	Works-Four Dimensions	41840	6,477.06	No evidence of 3 quotations for the award of contract. No evidence of World Bank No Objection.
2/18/2022	2022/0202	Fuel for generator:Total	2934	5,292.04	No evidence of 3 quotations.
4/20/2022	2022/250	Generator fuel:Total Lib	19694	5,292.00	No evidence of 3 quotations.
7/13/2022	2022/300A	July-Sept Fuel-Total Lib	19809	4,408.83	No evidence of 3 quotations.
2/17/2022	2022/0196	E-mail platform:ZOHO Corp	Transfer	4,303.13	No evidence of procurement process. No business registration and tax clearance.
1/12/2022	2022/0159	Vehicle repair:FARUSS	2882	3,155.40	No evidence of 3 quotations and certificate of service completion
10/18/2022	2022/329	15%pmt:Four Dimension	41803	3,093.83	No evidence of 3 quotations for the award of contract. No



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Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
					evidence of World Bank No Objection.
5/26/2022	2022/275	Veh repair:Faruss Inc	19751	2,761.11	No evidence of 3 quotations and certificate of service completion
2/3/2022	2022/0181	Jan-Mar 22 fuel:Total Lib	2925	2,318.34	No evidence of 3 quotation.
7/21/2021	2022/016	Spare parts:Faruss Inc.	164514	2,020.50	No evidence of RFQ Process and delivery note
10/27/2022	2022/337	Oct, 2022 Fuel-Total Lib	41817	1,960.00	No evidence of RFQ process.
6/7/2022	2022/278	Catering-Corina Hotel	19754	1,794.38	No evidence of RFQ process.
10/27/2022	2022/338	Fuel fr Oct, 2022-Total	41816	1,470.00	No evidence of RFQ process
5/11/2022	2022/263	Catering:Vibes Ent. Inc.	19730	1,350.00	No evidence of RFQ process
5/18/2022	2022/271	Furniture:United Office	19801	1,078.00	No evidence of RFQ process
7/20/2021	2022/012	Scratch Cards:Orange Libe		705.60	No evidence of RFQ process and name of person who received the goods not written
3/16/2022	2022/219	Veh services:FARUSS Inc.	2947	494.10	No evidence of 3 quotations and certificate of service completion
12/13/2022	2022/348	Sal Dec,2022-Sylvana Vah	Transfer	1,530.00	No evidence of hiring process.
2/8/2022	2022/0185	30%draft: Jerome Nyenka	2927	1,485.00	No evidence of hiring process.
1/28/2022	2022/0185A	Publication:Heritage News		1,440.00	No evidence of RFQ process



Transaction Date	Voucher Number	Description	Check Number	Amount in US\$	Comment
					and check copy.
<b>Total</b>				<b>206,810.75</b>	

### Risk

- 1.2.1.3 Management may be non-compliant with the required procurement regulations.
- 1.2.1.4 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.
- 1.2.1.5 In the non-usage of the required procurement regulations, value for money may not be achieved.
- 1.2.1.6 Failure to withhold and remit taxes may deny GoL of much needed tax revenue.
- 1.2.1.7 Management may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay.

### Recommendation

- 1.2.1.8 Management should adequately comply with the required procurement regulations to ensure that value for money is achieved.
- 1.2.1.9 Management should facilitate full withholding and remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000.
- 1.2.1.10 Evidence of tax withholding and remittances should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.2.1.11 *According to the PIM, Procurement Process under this project was carried out by the LLA's PIU, The World Bank's Procurement Regulations require that bidders, and service providers, i.e. suppliers, contractors and consultants will observe the highest standard of ethics during the procurement execution of contracts financed under the Project in accordance with paragraph 3.32 and Annex IV of the Regulations.*
- 1.2.1.12 *As part of the preparation of the project procurement document, the LLA (with technical assistance from the World Bank) prepared the Project Procurement Strategy for Development (PPSD) which describes how procurement activities will support project operations for the achievement of project development objectives and deliver Value for Money (VfM). The LLAP annual work plan and budget was prepared and approved by the World Bank and covered agreed activities for the year which included works, goods, consultancy and other services. The awarding of contracts to vendors or contractors were*



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carried out in accordance with the World Bank's Procurement Guidelines. The Project Financial Management Unit at the MFDP provided fiduciary services for the project and has a centralized internal audit unit that conducted reviews of request to ensure that they met the approved guidelines and were in line with the AWP&B. RFQ, RFP and REOI were sent out and evaluation panels were set up in line with the Bank's requirements. See Exhibit IV.

No.	Trans. Date	Voucher	Description	Cks. No.	Amt/US	GAC Comments	PFMU Response
1.	9/29/2021	2022/054	80% fr. Work T&T Trading	2762	41,600.64	No Evidence of Procurement process	These Documents were provided to the Auditor during the Audit. See Exhibit. See Exhibit IV
2.	7/5/2022	2022/296	30% Works – Gateway Design	19807	29,946.06	No Evidence of Procurement process	These Documents were provided to the Auditor during the Audit. See Exhibit IV
3.	11/24/2021	2022/0116	Internet Access: Lonestar	2846	17,498.88	No delivery Note, local; purchase order and evaluation meeting minutes	These Documents were provided to the Auditor during the Audit. See Exhibit IV
4.	8/2/2022	2022/309	14% works-Four Dimension	19814	13,967.62	No Evidence of three quotation for award of contract, No evidence of worldbank No objection	These Documents were provided to the Auditor during the Audit. See Exhibit IV
5	6/23/2022	2022/287	60% fee: Raymond Atuguba		9,205.50	No evidence of Bidding process	These Documents were provided to the Auditor during the



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							Audit. . See Exhibit IV
6	7/20/2021	2022/011	Feb-May Fuel:total liberia	164511	9,055.20	No evidence of RFQ process,no delivery note	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
7	12/8/2021	2022/0132	Fuel:Total Liberia	2852	9,055.20	No evidence of 3 Quotations	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
8	6/8/2022	2022/282A	Civil works-Four Dimension	19756	8,238.00	No evidence of RFQ process for award of contract	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
9	10/19/2022	2022/331	10% renovation: Gateway	41605	8,081.80	No evidence of bidding process	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
10	1/28/2022	2022/0183	Fumigation: YSK Agr&Pets		7,732.53	No Evidence of delivery note	These Documents weres provided to the Auditor during the Audit. . See Exhibit IV
11	12/19/2022	2022/352	Civil works-Four Dimension	41840	6,477.06	No Evidence of three quotation for award of contract,No	These Documents were provided to the Auditor



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						evidence of worldbank No objection	during the Audit. . See Exhibit IV
12	2/18/2022	2022/0202	Fuel: Total Liberia	2934	5,292.04	No evidence of 3 Quotations	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
13	4/20/2022	2022/205	Fuel: Total Liberia	19694	5,292.04	No evidence of 3 Quotations	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
14	7/13/2022	2022/300A	JULY-Sept Fuel	19809	4,408.83	No evidence of 3 Quotations	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
15	2/17/2022	2022/0196	E-mail platform: Zoho	transfer	4,303.13	No evidence of procurement process. No business registration and Tax clearance	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
16	1/12/2022	2022/329	Vehicle Repair:FARUSS	2882	3155.40	No evidence of three quotation and certificate of service completion	These Documents were provided to the Auditor during the Audit. . See Exhibit IV
17	10/18/2022	2022/329	15% payment-Four DIM			No Evidence of three quotation for award of	These Documents were provided



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						contract, No evidence of worldbank No objection	to the Auditor during the Audit. . See <b>Exhibit IV</b>
18	5/26/2022	2022/275	Vehicle Repair: FARUSS	41803	3,093.83	No Evidence of three quotation for award of contract, No evidence of worldbank No objection	These Documents were provided to the Auditor during the Audit. . See <b>Exhibit IV</b>
19	2/3/2022	2022/0181	Jan-Mar Fuel: Total Lib	2925	2,318.24	No evidence of 3 Quotations	These Documents were provided to the Auditor during the Audit. . See <b>Exhibit IV</b>
20	7/21/2021	2022/016	Vehicle Repair: FARUSS	164514	2,020.50	No Evidence of three quotation for award of contract, No delivery note	These Documents were provided to the Auditor during the Audit. . See <b>Exhibit IV</b>
21	10/27/2022	2022/337	Oct 2022 Fuel: Total	41817	1,960.00	No evidence of RFQ process	These Documents were provided to the Auditor during the Audit. . See <b>Exhibit IV</b>
22	6/7/2022	2022/278	Catering- Corina Hotel	19754	1,794.38	No evidence of RFQ process	These Documents were provided to the Auditor during the Audit. . See <b>Exhibit IV</b>
23	10/27/2022	2022/338	Oct 2022 Fuel: Total	41816	1,470.00	No evidence of RFQ process	These Documents were provided





										to the Auditor during the Audit. See Exhibit IV
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### **Auditor General's Position**

1.2.1.13 Management's assertion is not supported by documentary evidence. Exhibit IV provided by Management was a bid evaluation document which was unrelated to the transactions referenced in our findings and Management's response. Therefore, we maintain our findings and recommendations.

### **1.2.2 Unpresented Statutory Customary Land Deeds**

#### **Observation**

1.2.2.1 Component 3 of the Liberia Land Administration Project (LLAP) requires Piloting of Registration of Customary Land by selecting a number of communities among other activities.

1.2.2.2 During the audit field verification process, we observed that Management surveyed customary land of following communities:

- Gbarline Clan, Salayea, Lofa County,
- Digmah Clan, Sanoyea Bong County and
- Weaymaqlleh Clan, Kakata District & Kolleh Dapono Section (B), Dinningta Clan, Margibi County.

1.2.2.3 However, the Customary Land Deeds were neither probated nor turned over to the respective authorities of the communities.

#### **Risk**

1.2.2.4 In the absence of turning over the Customary Land Deeds, beneficiaries will not have legal entitlement of the customary land.

1.2.2.5 Project objective may not be achieved.

#### **Recommendation**

1.2.2.6 Management should ensure that the Customary Land Deeds are probated and turned over to the authorities of the respective communities.

#### **Management's Response**

1.2.2.7 *The Statutory Land Deeds for Gbarlin Clan, Lofa County, Dingmah Clan, Bong County and Weaymaquellah Clan Laworta Section, Margibi County have been probated (See attached). The deed for Kolleh Dapono Section is still being processed by the Probate Court in Margibi County and the process is expected to be completed by Monday, July 3, 2023. After all the*



deeds have been probated, the LLA plans to present all deeds to their respective community. See Exhibit VI.

**Auditor General's Position**

1.2.2.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent review.

**1.2.3 Fixed Assets Verification**

**Observation**

1.2.3.1 Section 9.4.2 of the PFMU Financial Procedure Manual states that "i. A FAR shall be maintained for recording all fixed assets procured or constructed from each project / program fund or donated by any other body. ii. The register shall contain detailed information concerning each asset as contained in the sample FAR. iii. The assets shall be code-numbered for proper identification as to categories and location. iv. The assets register shall be designed to accommodate the additions and disposals of asset entries and update. v. A summary of fixed assets shall be extracted from the FAR and form part of the project management report and financial statements. vii. All movable fixed assets such as vehicles will carry the imprint of the project name".

1.2.3.2 During the fixed assets verification exercise, assets valued at US\$ 57,313 were observed to have been associated with irregularities as indicated below:

- Vehicles were not coded in project name as LLAP but rather as LLA implying that they were bought by GoL
- Some fixed assets were not made available for verification
- Some Assets were not coded
- Assets distinction (wrong identification)
- No serial numbers attach to assets listing to valid the actuality of assets presented

1.2.3.3 Also, there was no evidence that the assets have been turned over to the Government of Liberia as the Project has closed. **See table 8 below for details.**

**Table 8: Fixed Assets Associated with Irregularities**

Description	Serial No.	Reference No.	Asset Location	Amount in US\$	Comment
Toyota Prado TX-L-4X4 SUV	No serial number	LLAP/LLA/01	LLA	46,793	Not coded
Lenovo Laptop Ideal Pad	No serial number	LLAP/PIU/67	Queemorlu	1,200	Not verified
Lenovo Laptop Ideal Pad	No serial number	LLAP/PIU/71	LLA	1,200	Not verified
HP Laptop	No serial number	LLAP/PIU/75	LLA	1,500	Not verified
HP Laptop	No serial number	LLAP/PIU/79	LLA	1,500	Not verified



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Description	Serial No.	Reference No.	Asset Location	Amount in US\$	Comment
HP Laptop	No serial number	LLAP/PIU/47	LLA	850	Not verified
Dell Laptop	No serial number	LLAP/PIU	LLA	850	Not verified
HDD, Hard Drive with LLAP Documents	No serial number	LLAP/PIU	LLA	300	Not verified
GPSMAP 64sc	No serial number	LLAP/PIU	LLA	150	Not verified
Projector dell DLP	No serial number	LLAP/Pro/006	LLA Chair Office	1,500	Not verified
Semi Executive Chair	N/A	LLAP/PIU/SEC/21	LLA	180	Not verified
Lenovo Laptop computer	Mpinjixny	None	Storeroom		Not recorded in register
White Board Deli Magnetic	Not recorded	LLAP/PIU/WD/16	PIU	240	Discrepancy (instead of, water dispenser)
Air Condition 1200 BTU ROCH	Not recorded	LLAP/PIU/AC/34	LLA	525	Discrepancy (instead of, Chigo)
Air Condition 1200 BTU ROCH	Not recorded	LLAP/PIU/AC/35	LLA	525	Discrepancy (instead of, Chigo)
<b>Total</b>				<b>57,313.00</b>	

**Risk**

- 1.2.3.4 Fixed asset balance may be inappropriately disclosed in the financial statements.
- 1.2.3.5 Fixed assets could be removed from the premises of the entity without authorization; misappropriated and converted to personal use or subjected to theft.

**Recommendation**

- 1.2.3.6 Management should ensure that the project fixed asset register is periodically updated to reflect actual details of the project assets.
- 1.2.3.7 Management should also account for fixed assets that were not verified during physical inspection of the project assets.
- 1.2.3.8 Management should conduct periodic fixed asset count and/or verification to determine the current condition and location of the project assets. Physical verification activities should be clearly documented and filed to facilitate future review.



### **Management's Response**

- 1.2.3.9 *Vehicles purchased by the LLAP were coded when purchased. At the time of audit, the vehicles were not coded under the LLAP because they had been turned over to the GOL and had been re-coded by the General Services Agency (GSA). The project ended in December 2023 and assets were immediately turned over to the Authority.*
- 1.2.3.10 *Some fixed assets were not verified because they were not available or had been turned over to staff, some of whom were not available or in office during the verification exercise. The LLA has setup a team to identify assets that were not verified by the auditor.*
- 1.2.3.11 *The LLAP coded assets acquired during the project operation with the World Bank Disbursement Guidelines issued by the World Bank dated May 2006. However, it was noted during the audit that some assets The LLA takes note of this and for the future will ensure that all project assets are coded and regularly verified.*
- 1.2.3.12 *No serial number to authenticate validity-the LLA takes note of this and will take corrective action in the future. The assets have been turned over to the LLA and have been re-coded with serial numbers.*
- 1.2.3.13 *The project was implemented by the LLA and most assets purchased by the project were already being utilized by senior management and staff of the LLA. Upon the closure of the project, assets that were being used by LLAP project staff were readily turned over to the LLA logistics Unit for verification, recoding and entry into LLA's assets listing. This is evidenced by the GOL codes on the vehicles as mentioned by the audit*

### **Auditor General's Position**

- 1.2.3.14 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent review.

## **1.3 IT Infrastructure**

### **1.3.1 Lack of IT Strategic Committee**

#### **Observation**

- 1.3.1.1 DM01.02 of COBIT 2019 states that: Inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.
- 1.3.1.2 DM01.02.3 of COBIT 2019 state that: Establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.



1.3.1.3 APO01.04 of COBIT 2019 state that: Define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

1.3.1.4 During the audit, we observed no evidence of a functional IT Strategic Committee to provide strategic oversight of the IT strategic goals, objectives and activities of the Liberia Land Authority (LLA), evidence by the nonexistence of meeting minutes and periodic reports.

**Risk**

1.3.1.5 In the absence of a functional IT Strategic Committee, the strategic goals, objectives, and activities of the IT function may not be achieved.

**Recommendation**

1.3.1.6 Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports.

**Management's Response**

1.3.1.7 *The LLA established an IT Strategic Committee for the provision of oversight of its general IT infrastructure. Key staff of the LLA on the committee are:*

- 1. Assistant Director for Survey and Mapping*
- 2. Assistant Director for Land Information Services*
- 3. ICT Manager*
- 4. Assistant Director for Registration*

1.3.1.8 *The IT Strategic Committee of the LLA developed a draft General ICT Use Policy. See Exhibit V*

1.3.1.9 *The establishment of an IT Steering Committee was not a delivery of the Liberia Land Administration Project. However, the LLA takes note of this and senior management will be duly informed to take the appropriate action*

**Auditor General's Position**

1.3.1.10 Management's assertions were not supported by documentary evidence. Exhibit V as indicated in Management's response was not provided. Therefore, we maintain our findings and recommendation.

**1.3.2 Lack of IT Strategic Plan**

**Observation**

1.3.2.1 DM01.02 of COBIT 2019 states that: Direct the governance system. Inform leaders on I&T



governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.

1.3.2.2 DM01.02.3 of COBIT 2019 state that: Establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.

1.3.2.3 APO01.04 of COBIT 2019 state that: Define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

1.3.2.4 During the audit, we observed that there was no evidence of an IT strategic plan to signify that the LLA had established an IT strategic plan to address the operations of their Information Technology unit and provide a strategic direction, evidenced by the nonexistence of meeting minutes and periodic reports.

**Risk**

1.3.2.5 The non-establishment of an IT strategic plan at the board level may result in a non-coherent strategy and a lack of clear direction for an entity's Information Technology.

**Recommendation**

1.3.2.6 Management should establish an IT Strategic plan at the Board level in order to create a coherent strategy, give a clear direction and govern the information Technology section.

**Management's Response**

1.3.2.7 Included in the draft General ICT Use Policy. See Exhibit V.

**Auditor General's Position**

1.3.2.8 Management's response was unrelated to the issue raised in our findings and recommendations. Therefore, we maintain our findings and recommendation.

**1.3.3 Lack of Change or Patch Management**

**Observation**

1.3.3.1 DSS03.05.3 of COBIT 2019 State that: Identify and initiate sustainable solutions (permanent fixes) addressing the root cause. Raise change requests via the established change management processes.



1.3.3.2 BAI03.10.1 of COBIT 2019 state that: Develop and execute a plan for the maintenance of solution components. Include periodic reviews against business needs and operational requirements such as patch management, upgrade strategies, risk, privacy, vulnerabilities assessment and security requirements

1.3.3.3 During the audit, we observed that there was no formal change request documentation in place for managing modifications to the Continuously Operating Reference Stations (CORS) system, applications and network infrastructures.

1.3.3.4 Additionally, there was no evidence of program change requests form to substantiate that changes made were appropriately authorized, tested, and approved for implementation.

**Risk**

1.3.3.5 Failure to develop and operationalize a change management policy may lead to unauthorized and untested changes made to the production environment that may cause disruptions to the business activities and instability to the information system.

**Recommendation**

1.3.3.6 Management should develop, approve and operationalize a change management policy to mitigate unauthorized and untested changes made to the production environment. Change management for information system environments, application functionality, and business processes should be proactively managed to achieve process integrity, expedite learning curve and build capacity.

1.3.3.7 Additionally, changes made to the system should be properly tracked, tested by appropriate personnel, and adequately reviewed for approvals before being moved to production. All activities should be documented and appropriately maintained.

**Management's Response**

1.3.3.8 *There has been no modification to the CORS, neither its application nor network infrastructure since it was purchased and installed. What was mentioned during the audit was that the modem used by Lone Star Corporation for internet service was experiencing problems as a result of overheating which led to the CORS being inactive for a short period. This was addressed by changing the location of this device to prevent overheating.*

**Auditor General's Position**

1.3.3.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent review.

**1.3.4 Lack of Security Policy**

**Observation**

1.3.4.1 DSS06.06 of Cobit 2019, states: Secure information assets accessible by the business



through approved methods, including information in electronic form (e.g., portable media devices, user applications and storage devices, or other methods that create new assets in any form), information in physical form (e.g., source documents or output reports) and information during transit. This benefits the business by providing end-to-end safeguarding of information

- 1.3.4.2 During the audit, there was no evidence of an IT Security Policy at LLA to guide the operations of its IT systems.

**Risk**

- 1.3.4.3 The lack of IT Security Policy may impair the achievement of LLA ICT objectives.

**Recommendation**

- 1.3.4.4 Management should develop, approve and operationalize an IT security policy to enhance the organization objectives.

**Management's Response**

- 1.3.4.5 Included in the draft General ICT Use Policy. See Exhibit V

**Auditor General's Position**

- 1.3.4.6 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations.

**1.3.5 No Policy to Cover Physical Access**

**Observation**

- 1.3.5.1 DSS05.05 of COBIT 2019 state that: Define and implement procedures (including emergency procedures) to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement applies to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

- 1.3.5.2 During the audit, we observed no evidence of a policy to cover physical access to information technology assets.

**Risk**

- 1.3.5.3 Unauthorized access to IT environments could result in damages to hardware, theft, etc.

**Recommendation**

- 1.3.5.4 Management should define and implement policies and procedures (including emergency) to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement should apply to all persons entering the premises, including





staff, temporary staff, clients, vendors, visitors or any other third party.

**Management's Response**

1.3.5.5 Included in the draft General ICT Use Policy. See Exhibit V.

**Auditor General's Position**

1.3.5.6 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations.

**1.3.6 No Environmental Control Policy**

**1.3.6.1 Observation**

1.3.6.2 DSS01.04 of COBIT 2019 state that: Maintain measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment.

1.3.6.3 DSS01.05.6 of COBIT 2019 state that: On regular basis, educate personnel on health and safety laws, regulations, and relevant guidelines. Educate personnel on fire and rescue drills to ensure knowledge and actions taken in case of fire or similar incidents.

1.3.6.4 During the audit, we observed that there was no evidence of environmental control policy in place to protect information technology assets and personnel.

**Risk**

1.3.6.5 When environmental controls are not properly addressed, the organization may not recover from interruptions at all or within a reasonable timeframe.

**Recommendation**

1.3.6.6 Management should develop, approve and operationalize an environmental control policy in order to maintain measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment as well as protect information technology assets against abrupt disruptions and safeguard the institution's personnel.

**Management's Response**

1.3.6.7 Included in the draft General ICT Use Policy. See Exhibit V.

**Auditor General's Position**

1.3.6.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations.



**1.3.7 No Documented and Tested Emergency Procedure**

**Observation**

1.3.7.1 DSS02.05 of COBIT 2019 State that: Document, apply and test the identified solutions or workarounds. Perform recovery actions to restore the I&T-related service.

1.3.7.2 During the audit, we observed that there were no documented and tested emergency procedures in place to safeguard information technology assets and personnel.

**Risk**

1.3.7.3 In case of an emergency, the personnel involved might not be aware of what is expected from them and lead to business interference and personnel not acting in a timely manner.

**Recommendation**

1.3.7.4 Management should document, apply and test emergency procedures to safeguard IT assets and personnel.

**Management's Response**

1.3.7.5 Included in the draft General ICT Use Policy. See Exhibit V

**Auditor General's Position**

1.3.7.6 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations.

**1.3.8 Lack of User Management Standard and Procedure in Place**

**Observation**

1.3.8.1 DSS05.04 of COBIT 2019 State that: Ensure that all users have information access rights in accordance with business requirements. Coordinate with business units that manage their own access rights within business processes.

1.3.8.2 DSS05.04.1 of COBIT 2019 State that: Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, need-to-have and need-to-know principles

1.3.8.3 During the audit, we observed that there was no user management standard and procedures in place at the Liberia Land Authority office.

**Risk**

1.3.8.4 Failure to create a sound and approved user management framework, policy and procedures; users may not have any rules and procedures to follow in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.



**Recommendation**

- 1.3.8.5 Management should develop, approve and operationalize a sound user management framework, policy and procedures; in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.

**Management's Response**

- 1.3.8.6 Included in the draft General ICT Use Policy. See Exhibit V

**Auditor General's Position**

- 1.3.8.7 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations.

**1.3.9 Users Access Rights are Not Reviewed**

**Observation**

- 1.3.9.1 DSS05.04.1 of COBIT 2019 State that: Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, need-to-have and need-to-know principles

- 1.3.9.2 DSS05.04.8 of COBIT 2019 State that: Perform regular management review of all accounts and related privileges.

- 1.3.9.3 During the audit, we observed that users access rights were not review in accordance with business function and process requirements. User access right should align with the management of identities and access rights with defined roles and responsibilities, based on least-privilege, and need-to-know principles.

**Risk**

- 1.3.9.4 Failure to review users access rights in accordance with business function, process requirements and security policies may allow unauthorized user access to the CORS system.

**Recommendation**

- 1.3.9.5 Management should Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, and need-to-know principles in order to avoid unauthorize access to the CORS system.

**Management's Response**

- 1.3.9.6 LLA have a centralized location for specific divisions with UAC in place. This is managed by the domain controller running on Windows Server 2019.



**Auditor General's Position**

1.3.9.7 Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendation.

**1.3.10 Threat to Business Continuity**

**Observation**

1.3.10.1 APO14.10 of CObit 2019 states that: Manage data backup and restore arrangements. Manage availability of critical data to ensure operational continuity. 1. Define a schedule to ensure correct backup of all critical data. 2. Define requirements for on-site and off-site storage of backup data, considering volume, capacity and retention period, in alignment with the business requirements. 3. Establish a testing schedule for backup data. Ensure that the data can be restored correctly without drastically impacting business.

1.3.10.2 APO14.09 of CObit 2019 states that: Support data archiving and retention. Ensure that data maintenance satisfies organizational and regulatory requirements for availability of historical data. Ensure that legal and regulatory requirements for data archiving and retention are met. Ensure that policies mandate management of data history, including retention, destruction and audit trail requirements.

1.3.10.3 During the audit, our assessment performed on the readiness of LLA in case of a disruption revealed the following exceptions:

- No evidence of Business Continuity Plan (BCP)
- No evidence of Backup and Data Retention Strategy
- No evidence of Disaster Recovery Plan (DRP)

1.3.10.4 Business Continuity Plan (BCP), Disaster Recovery Plan (DRP), Data Backup and Retention Strategy - are sets of activities that result in the ongoing preparedness for disaster that continually adapts to changes in business conditions for improvement. It describes the requirement to restore critical systems and other critical assets, whether in alternate or primary locations.

**Risk**

1.3.10.5 Failure to develop an approved business continuity plan, disaster recovery plan and backup and retention strategy may result in loss of transactions data in situations where the impact of a disruption on critical business functions occurs.

**Recommendation**

1.3.10.6 Management should develop, approve and operationalize an IT continuity plan, disaster recovery plan and a backup and retention strategy as part of their risk mitigation strategy. This may minimize the impact of disruptions on critical business functions and the recovery capability of all services.



**Management's Response**

- 1.3.10.7 With support from the Swedish Funded Inclusive Land Administration and Management Project (ILAMP) currently being implemented at the LLA, the LLA has instituted both onsite and offset backup and recovery program in which data are weekly backup.

**Auditor General's Position**

- 1.3.10.8 Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendation.

**1.3.11 Status of Prior Year's Audit Recommendations**

- 1.3.11.1 Management implemented all prior year audit recommendations. **See annexure 3 below for details.**



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**Annexure 1: Payments Without Supporting Documents**

Date	PV Number	Description	Amount in US\$
9/1/2021	2022/045	50% final pmt:FTI	50,390.00
12/21/2021	2022/146	CORS Station insta:Trimbl	43,882.96
3/25/2022	2022/0169	30% consultancy services	35,720.40
1/3/2022	2022/0153	40% draft:Subah-Belleh	20,250.00
4/13/2022	2022/139	50%pmt-four dimension	15,841.57
9/2/2021	2022/042	40% final pmt:Blue Crest	12,060.00
12/21/2021	2022/0147	Veh servicing:FARUSS Inc.	7,818.24
2/23/2022	2022/0205	Feb pmt:Grace Kangunda	7,560.00
8/26/2021	2022/040	Aug pmt:Grace D.Kangunda	7,560.00
1/19/2022	2022/0168A	15%tax Trimble Europe	7,391.11
4/4/2022	2022/231	Civil Work:T & T Trading	7,311.42
9/6/2021	2022/004	Incoming charge	7,279.80
10/5/2022	2022/326	Vehicle servi:Faruss Inc.	6,406.29
1/19/2022	2022/0165	40% audit fees,GAC	6,400.00
10/5/2022	2022/325	60% pm to COMAX ICT Limit	5,400.00
9/21/2021	2022/047	Sep pmt:Teakon Williams	4,158.00
9/27/2021	2022/052	Consl Jun salary:Richelie	3,640.00
9/29/2021	2022/052	Consl Sept Sal:Lamine K	3,600.00
1/19/2022	2022/166	40% website pmt:COMAX ICT	3,600.00
1/19/2022	2022/0173	Presumptive tax:Planet PC	3,065.85
3/25/2022	2022/165	Mar pmt:Yarkpazuo Kolva	2,871.00
9/27/2021	2022/049B	1yr data package:Orange	2,105.04
9/21/2021	2022/047	Sep pmt:Benn Howard	1,350.00
3/25/2022	2022/165	Mar pmt:Ben Howard	1,350.00
9/23/2021	2022/049	Drivers training:SOPDE	1,260.00



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Date	PV Number	Description	Amount in US\$
8/19/2021	2022/036	Printing: Truly Blessed Lo	1,209.60
12/21/2021	2022/150	Dec scratch cards: Orange	1,195.60
5/5/2022	2022/255	Fees- Patmilla D. Paivey	1,188.00
5/5/2022	2022/260	Fuel- Joseph N. Varney	1,008.00
5/11/2022	2022/265	Rapporteur: Michael Gebeh	918.00
7/20/2021	2022/013	July scratch card: Orange	882.00
10/7/2021	2022/058	Catering services: Corina	834.08
5/5/2022	2022/259	Hall rent- Emmanuel Karneh	764.25
2/17/2022	2022/0192	Veh reg: MFDP/LRA/MOT/USG	760.00
10/3/2022	2022/324	Fuel - Joseph N Varney	678.00
9/14/2021	2022/046	Aug Trans&Com: J.Vanyanbah	600.00
3/1/2022	2022/0211	Stationery: Lion Stationer	570.36
7/7/2022	2022/261A	Training- CBTNUGGETS	541.25
12/21/2021	2022/149	Air condition pmt: Planet	441.00
3/25/2022	2022/172	Petty Cash Utilisation fr	418.26
9/21/2021	2022/047	Sep pmt: Joseph Varney	405.00
11/1/2021	2022/087	Petty Cash fr others	405.00
1/19/2022	2022/169	10% tax: COMAX ICT	400.00
10/6/2021	2022/050A	Data Kit(ODK): Nasi Broh	382.50
11/30/2022	LLA/028	Bank Charges	272.80
1/28/2022	2022/0186	10% tax: Heritage Newspaper	160.00
7/1/2021	2022/001A	Scratch Cards: Orange Lib	147.00
1/21/2022	2022/0177	10% tax: CICA	106.25
12/31/2021	LLA2022-12	Petty Cash Utilisation fr	(894.99)
2/28/2022	LLA/016	Reversal of fuel: B Howar	(1,750.00)



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Date	PV Number	Description	Amount in US\$
<b>Total</b>			<b>279,913.64</b>

**Annexure 2: Prior Year Audit Issues Status**

No.	Findings	Observations	Recommendation/AG Position	Status of Implementation
1.1.1.1	Uncompleted Project	<p>1.1.1.3 We noted during the conduct of the audit that key deliverables on components of the LLA Project such as the drafting of policies, laws, regulations and administrative procedures relating to land administration in Liberia were not implemented.</p> <p>1.1.1.4 We also noted that the National Geodetic Network and Preparation of Land Survey Standards, consultancy services to pilot the development of land use plans in rural customary communities and the conduct of a baseline survey and land sector reform component were not completed.</p> <p>1.1.1.4 Additionally, there was no evidence that the PIU implemented the renovation of the Liberia Land Authority local offices in line with the project work plan. Refer Appendix 1 for details.</p>	<p>1.1.1.7 We acknowledge Management's assertion that "LLA is making effort to complete this activity in the next fiscal year. The delays were attributed mainly to COVID-19 Delta Variance and the extended rainy season." we will make follow-up on deliverables during subsequent audit.</p> <p>1.1.1.8 However, we maintain our findings and recommendations.</p>	Implemented

