



Management Letter

On the Financial Statements Audit of the Ministry of Commerce and Industrial (MoCI)

For the period July 1, 2020 to June 30, 2021



Promoting Accountability of Public Resources

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

Monrovia, Liberia
December 2022

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
BCP	Business Community Plan
CBL	Central Bank of Liberia
COSO	Committee of Sponsoring Organizations of the
LBDI	Liberia Bank for Development and Investment
GAC	General Auditing Commission
CBL	Central Bank of Liberia
COBIT	Control Objective Information and Related
DRP	Disaster Recovery Plan
GoL	Government of Liberia
GSM	Global System for Mobile
GST	Goods and Services Tax
IT	Information Technology
ICT	Information and Communication Technologies
TIN	TAX Identification Number
ISSAI	International Standards of Supreme Audit
IPSAS	International public sector Accounting system
L\$	Liberian Dollars
LBR	Liberia Business Registry
MoCI	Ministry of Commerce & Industry
PFM Act	Public Finance Management Act
LIFE	Liberia Innovation fund for Entrepreneurs
PPC Act	Public Procurement Concession Act
PPCC	Public Procurement and Concession Commission
ToR	Terms of Reference
US\$	United States Dollar
WHT	Withholding Taxes
MIP	Monrovia Industrial Park
NASSCORP	National Standard Laboratory
NSL	National Standard Laboratory
MFDP	Ministry of finance and Development Planning
PAN	Personnel Action Notice

Hon. Mawine G. Diggs

Minister

Ministry of Commerce and Industry
Ministerial Complex
Congo Town

December 17, 2022

Dear Hon. Diggs:

The Financial statements of the Ministry of Commerce and Industry (MoCI) for the fiscal period ended June 30, 2021 are subject to audit by the Auditor-General (AG) consistent with the AG's mandate as provided for in section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Audit Engagement (Terms of Reference ToR)

Introduction

The Audit of the Ministry of Commerce and Industry (MoCI) Financial statements for the fiscal period ended June 30, 2021 has been completed and the purpose of this Management Letter/ Draft Report is to bring to your attention the findings that were revealed during the audit.

Audit Scope and Determination of Responsibility

The audit was conducted in accordance with International Standards of Supreme Audit Institution (ISSAIs) as promulgated by International Organization of Supreme Audit Institutions (INTOSAI) as well the audit engagement Terms of Reference (ToR). 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 financial statements.

An audit involves;

- Examination on a test basis of evidence supporting 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's presentation

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

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 matter and/or weaknesses that were not identified.

The Financial statements, maintenance of effective control measures and compliance with laws and regulation are the responsibility of the Management of the Ministry of Commerce and Industry. Our responsibility is to express an opinion on these financial statements.

Key Management

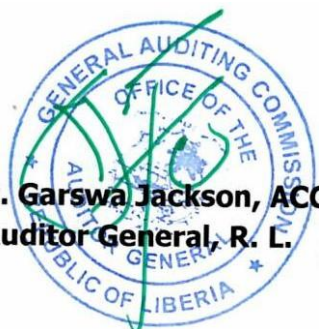
Name	Rank	Tenure
Hon. Mawine G. Diggs	Minister	2020 to Present
Hon. Wilfred J.S. Bangura, II	Deputy Minister for Administration	2018 to Present
Hon. George D. Wolo	Deputy Minister for Commerce and Trade Services	2018 to Present
Hon. Thomas G. Goba	Deputy Minister for Industry	2020 to Present
Hon. Debra Nebo	Deputy Minister for Small Business Administration	2018 to Present
Hon. Peter D. Somah	Assistant Minister for Commerce and Trade Services	2018 to Present
Hon. Morris K Saryon	Assistant Minister for Industry	2018 to Present
Hon. Angel Banda	Assistant Minister for Small Business Administration	2021 to Present
Hon. Samson M. Dee	Registrar General-Liberia Business Registry (LBR)	2018 to Present
Hon. Nora Wreh	Deputy Registrar General for Administration (LBR)	2018 to Present
Hon. Josephone W.A.Davies	Inspector General for Enforcement	2018 to Present
Mr. Gudi JND Neufville, Jr.	Comptroller	2019 to Present
Mrs. Esther Tolbert	Minister	2020 to Presents

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Ministry of Commerce and Industry (MoCI) during the audit.

Monrovia, Liberia
December 2022

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



1 DETAIL FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Discrepancies between Financial statements and GOL/IFMIS system

Observation

- 1.1.1.1 PFM Regulations A. 3 (1&2) states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20."
- 1.1.1.2 Section 36 (1&2) of the PFM Act also states that, "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister. Each Spending Entity is required, where applicable, to provide a monthly report on revenues and a quarterly expenditures performance report to the Minister in the terms, format and within the timeframe determined by regulations under this Act."
- 1.1.1.3 During the audit, we observed that management reported expenditure in an amount of US\$2,045,973.00; whereas the total expenditure reported in the GOL/IFMIS system amounted to US\$2,055,793.61 thus resulting to a variance of US\$ 58,684.29. **See table 1 for details.**

Table 1: Discrepancy between Financial statements and GOL/IFMIS system

Description	MoCI Financial Statement US\$ A	MFDP GOL/IFMIS System US\$ B	Variance C=(A-B)
Wages and Salaries	1,875,899.00	1,881,412.61	5,513.61
Guard and Security	8,640.00	7,193.71	1,446.29
Consultancy Services	70,934.00	16,773.45	54,260.55
Insurance Premium	-	3,268.52	3,268.52
Operating Expense	7,500.00	12,197.98	(4,697.98)
Printing & Blinding	20,000.00	19,812.87	187.13
Other ICT Equipment	56,000.00	56,145.91	145.91
TOTAL	2,045,973.00	2,055,793.61	58,684.29

Risk

- 1.1.1.4 The completeness and accuracy of expenditure may not be assured; therefore, the financial statements may be misstated.
- 1.1.1.5 Expenditures may be understated and Management may not fully account for activities of the entity.

Recommendation

- 1.1.1.6 Management should account for the difference between the GOL/IFMIS system and the financial statements and where applicable adjust the financial statements accordingly.
- 1.1.1.7 Going forward, Management should conduct periodic (monthly) reconciliation between the GOL/IFMIS system and the financial statements. Variances identified should be documented, investigated and adjusted where applicable.
- 1.1.1.8 Financial statements and expenditure reports prepared by a junior staff should be reviewed and approved by a senior staff with the relevant qualification experience and authority.

Management's Response

- 1.1.1.9 *The Ministry of Commerce and Industry (MoCI) may provide justification for the unexplained variances if the Ministry reconciles with the Ministry of Finance and Development Planning (MFDP) the information provided by GAC from the Budget Control Summary Sheets/ IFMIS System at MFDP. Besides, MoCI can only account for what it received from GOL as budgetary appropriation, allotment and expenditure made during the fiscal year. MoCI accepts GAC recommendation to reconcile the variances with the Ministry of Finance and Development Planning to reflect the actual expenditure.*

Auditor General's Position

- 1.1.1.10 Management's assertions do not address the issue raised. The obligations of government officers handling public financial transactions is to ensure that financial information is reported in a timely, comprehensive and accurate manner. IFMIS is the financial software of the Government of Liberia and each entity that receives GoL allotment is required to input expenditure for consolidated purposes into the system.
- 1.1.1.11 Management failure to adjust the financial statements will be evaluated and the impact will be reflected in the opinion for fiscal year ended June 30, 2021
- 1.1.1.12 However, we acknowledge Management's acceptance of our recommendation; and, we will make a follow-up on implementation of management's assertions during subsequent audit.

1.1.2 No Supporting Detailed General Ledgers

Observation

- 1.1.2.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government

stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them”.

- 1.1.2.2 During the audit, we observed that Management did not provide detailed ledgers for expenditure amounting to US\$2,255,326.00 as reported in the financial statements. **See Table2 below for details.**

Table 2: General Ledger

No	Budget line Items	Amount
1.	Compensation of Employees	1,923,199.00
2.	Use of Goods and Services	276,207.00
3.	Non-Financial Assets	56,000.00
Total		2,255,326.00

Risk

- 1.1.2.3 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.
- 1.1.2.4 Management may not fully account for activities/assets of the entity.

Recommendation

- 1.1.2.5 Management should ensure that detailed general ledgers are prepared to support figures mentioned in the financial statements. Periodic reconciliation should be performed between the general ledger and the financial statements. Differences identified should be documented, investigated and adjusted (where applicable) in a timely manner.
- 1.1.2.6 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.
- 1.1.2.7 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.1.2.8 Management should ensure that detail general ledgers are prepared to support figures mentioned in the expenditure report.

Management's Response

- 1.1.2.9 *MoCI presented budget execution ledgers to GAC auditors during the conduct of the audit that included each of the bureaus in the Ministry in both in detail and summary. The columns of the budget execution ledgers included the approved budget, allotment, commitment, expenditure, balance in allotment and balance in appropriation. MoCI believes that the budget execution ledgers as provided would have provided the information needed by GAC*

for the conduct of the audit. MoCI however accepts GAC recommendation and will henceforth act accordingly.

Auditor General's Position

- 1.1.2.10 We acknowledge Management's acceptance of our recommendation; and, we will make a follow-up on implementation of management's assertions during subsequent audit.
- 1.1.2.11 Going forward, Management should provide, the general Ledger, final trial balance along with adjustments that is mapped to the financial statements for effectiveness and efficiency.

1.1.3 Internally Generated Revenue

Observation

- 1.1.3.1 Regulation O.1.1&2 of the PFM Act of 2009 as restated in 2019 states "(1) All government agencies shall provide in their annual budgetary estimates, their expected revenue collections and internally generated funds. (2) A head of government agency is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their agencies, departments or office".
- 1.1.3.2 During the audit, we observed that Management did not disclose in the Financial Statement detailed information on internal generated revenue amounting to US\$ US\$219,055.00 from the accounts setup at the CBL for operations of the Monrovia Industrial Park (MIP), and National Standard Lab (NSL).
- 1.1.3.3 Further, the Management did not disclose in the Expenditure Report nor provide detailed information of US\$ US\$219,391.15 from Monrovia Industrial Park (MIP), and National Standard Lab (NSL). **See table 3 below for detail.**

Table 3: Internally Generated Revenue

Date	Description	Generated Revenue US\$	Expenditure US\$	Outstanding Cash in Bank US\$
July 1, 2020 to June 30 2021	Monrovia Industrial Park (MIP)	91,660.00	91,163.44	496.56
July 1, 2020 to June 30 2021	National Standard Lab. (NSL)	127,395.00	128,227.71	(832.71)
Total		219,055.00	219,391.15	-336.15

Risk

- 1.1.3.4 The completeness and accuracy of revenue may not be assured; therefore, the financial statements may be misstated.
- 1.1.3.5 Management may not fully account for activities/assets of the entity.

Recommendation

- 1.1.3.6 Management should ensure that all transactions are recorded in the entity's financial statements.
- 1.1.3.7 Management should ensure that payments of all fees for services are deposited directly in the entity's bank account.
- 1.1.3.8 Management should perform periodic reconciliation between the bank statements and the general ledger (including the financial statements). Differences identified should be investigated and adjusted (where applicable) in a timely manner.
- 1.1.3.9 Management should establish subsidiary ledgers for each service account. Subsequently, Management should perform periodic reconciliation among invoices, bank statements and the subsidiary ledgers (including the financial statements). Differences identified should be investigated and adjusted (where applicable) in a timely manner.
- 1.1.3.10 Management should develop, approve and operationalize policies to govern the management including collection of fees from service. Evidence of approved policies should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.3.11 *During the Conduct of the Audit, the Ministry of Commerce and Industry (MoCI) provided to the GAC all Bank Statements, disbursement details and source documents of all of Ministry's accounts. These expenditures are also reflected in the Ministry's cashbook ledgers and in respect to International Accounting Standard (IAS) 10, the Ministry will ensure that Financial Statement is adjusted as per GAC recommendation.*

Auditor General's Position

- 1.1.3.12 Management assertion does not adequately address the issue raise. However, Management acknowledges in respect to International Accounting Standard (IAS) 10, the Ministry will ensure that Financial Statement is adjusted as per GAC recommendation.

1.1.4 Third Party Payment

Observation

- 1.1.4.1 Regulation B. 28 of the PFM Act of 2009 states, "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment".
- 1.1.4.2 Regulation D.14 (1) of the PFM Act of 2010 states that "where in the national budget or supplementary appropriations, budgetary classifications are made for expenditures of a confidential nature; the details of such classification shall be presented and agreed with the leadership of the Legislature".
- 1.1.4.3 During the audit, we observed that Management made several payments totaling US\$10,905.00 in the name of an employee of the MoCI rather than the vendors, service providers or direct beneficiaries (their legally authorized representatives). **See Annexure-1 for details.**

Risk

- 1.1.4.4 Paying cash to employee for subsequent disbursement to vendors or service providers may facilitate misappropriation of funds.

Recommendation

- 1.1.4.5 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.
- 1.1.4.6 All payments for goods and services procured by the entity should be made directly to the vendor or its legally authorized representative.

Management's Response

- 1.1.4.7 *As attached (Annexure 1), These payments (US\$5,945) were made to facilitate press conferences, and other media related functions of the Ministry supervised by the Division of Public Affairs. Abraham Swaray, Director of Standards Payment (US\$3,645) representing fees for the adoption of environmental standards by the division of standards of the Ministry of Commerce & Industry, this fund was provided by the GIZ and for this purpose. The payment of US\$1,195 to Sharlene D. Akoi, the cashier of the Ministry, for the reconditioning of the Sofa in the visitor's waiting room on the ground floor, was to ensure that a quality work is done by a petty trader/SME who received the full amount after the completion of the work and copy of the receipt is attached to the transaction. The payment for the purchase of the scratch card valued at \$60 is considered a petty cash/Miscellaneous expense for the Ministry.*

Auditor General's Position

- 1.1.4.8 Management's assertion is not backed by substantive justification and/or documentary evidence. We could not confirm that these payments were made to the second party because there was no evidence to support management claim. Therefore, Management is in breached of Regulation D.14 (1) of the PFM Act of 2010.

1.1.5 Expenditure without evidence of adequate supporting documents

Observation

- 1.1.5.1 Regulation P.9 (2) of the Public Finance Management (PFM) Act of 2009 as restated in 2019 states: "Payments except for statutory transfers and debt service shall be supported by invoices bills and other documents in addition to the payment vouchers".
- 1.1.5.2 During the audit, we observed that Management did not provide supporting documents (delivery notes & certificate of completion, etc...) for expenditure totaling US\$7,208.00. **See table 4 for details.**

Table 4: Expenditure Without Evidence of Adequate Supporting Documents

Date	Voucher #	Payee	Description	US\$	Comment
2/12/2021	7489	Auto Spare Service	General servicing of GOL vehicle with -plate #LB-3006-NSL	1,362.20	No Certificate of Completion
4/5/2021	7546	Tom American Auto Garage	Repairs and maintenance of vehicle with plate# GSA-MOCI-02-17, LB3030 assigned to the DMA at MOCI	1,449.60	No job completion certificate
3/17/2021	7532	FARUSS INC	General servicing and repairs of vehicle with plate #-GSA-MOA/MOC-04-71 assigned to the ministry of commerce and industry	1,013.76	No job completion certificate
5/5/2021	7590	FARUSS INC	General servicing of vehicle with plate #-LB 2760	1,459.20	No job completion certificate
5/5/2021	7589	FARUSS INC	Payment for the general servicing of vehicle with plate #3039 that serve as a back-up for Hon. Diggs	1,326.24	No job completion certificate
11/23/2020	7607	Ethel Karmon	Payment as transportation allowance to inspectors	450.00	No evidence of recipient's signature to authenticate payment
4/21/2021	7574	Mattar Trading Company	Payment for the purchase of two pieces of 737 cartridges	147.00	No evidence of delivery notes
Total				7,208.00	

Risk

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

Recommendation

- 1.1.5.6 Management should fully account for the expenditure made without adequate supporting documents.
- 1.1.5.7 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting documents should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.5.8 *MoCI provided GAC auditors documents that were requested for, except otherwise proven, but however, MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.5.9 We acknowledge Management acceptance of our recommendation. The approval of the transaction is not in question; and, it is management's responsibility to have the supporting documents available for review. however, Management is in breached of financial discipline in line with Regulation P.9 (2) of the PFM ACT of 2009.

1.1.6 Non-remittance of Tax Deductions to NASSCORP'S Contributions

Observation

- 1.1.6.1 Section 89.16(a) of the NASSCORP New Act and published February 13,2017 states that "The contribution payable under this Act in respect of an employee shall comprise contribution payable by the employer (hereinafter referred to as the employer's contribution) and contribution payable by the employee (hereinafter referred to as the employee's contribution) and shall be paid to the Corporation. Contribution rate shall be total 10% of the total gross remuneration of each employee;2% under the Employment Injury Scheme payable by the employer; 4% employer contribution and 4% employee contribution to be remitted by the employer".
- 1.1.6.2 During the audit, we observed that Management did not provide evidence of payment amounting to US\$36,390.52. representing staff employees' contributions to NASSCORP.
See table 5 for details:

Table 5: Non-remittance of Tax Deductions to NASSCORP'S Contributions

Month	Gross Payroll US\$	Employees NASSCORP Contribution 2% US\$	Employer NASSCORP Contribution 4% US\$	Contributions Total US\$
July. 2020	118,330.98	2,366.62	4,733.24	7,099.86
Aug. 2020	149,853.53	2,997.07	5,994.14	8,991.21
Sept. 2020	173,150.00	3,463.00	6,926.00	10,389.00
Oct. 2020	143,129.76	2,862.60	5,725.19	8,587.79
Nov. 2020	154,926.31	3,098.53	6,197.05	9,295.58
Dec. 2020	153,404.36	3,068.08	6,136.17	9,204.25
Jan. 2021	153,404.36	3,068.08	6,136.17	9,204.25
Feb. 2021	155,219.31	3,104.38	6,208.77	9,313.15
Mar. 2021	155,219.31	3,104.38	6,208.77	9,313.15
Apr. 2021	154,463.58	3,089.27	6,178.54	9,267.81
May. 2021	154,386.50	3,087.73	6,175.46	9,263.19
Jun. 2021	154,039.21	3,080.78	6,161.56	9,242.34
Total	1,819,527.21	36,390.52	72,781.06	109,171.58

Risk

- 1.1.6.3 Management may be non-compliant with NASSCORP General Regulations of 2018 which may result to penalty and fines.

1.1.6.4 Potential retirees of MoCI may be denied required pension benefits due to non-compliance with the regulation.

1.1.6.5 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

Recommendation

1.1.6.6 A payment plan should be crafted and agreed between MoCI Management and NASSCORP Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan.

1.1.6.7 Management should facilitate full payment of employee's contributions to NASSCORP on a consistent and timely basis.

1.1.6.8 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.

1.1.6.9 Going forward, monthly remittance of NASSCORP contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' NASSCORP accounts respectively.

Management's Response

1.1.6.10 *Employees deduction through NASSCORP's is being handle by the Payroll Team at the Civil Service Agency (CSA) since the payroll harmonization process. However, MoCI accepts GAC recommendation and will henceforth act accordingly*

Auditor General's Position

1.1.6.11 The assertion by the MoCI Management does not address the issue raised. Therefore, we acknowledge Management's acceptance of our recommendation; and, we will make a follow-up on implementation of management's assertions during subsequent audit.

1.1.7 Non-Preparation of Bank Reconciliation

Observation

1.1.7.1 Regulations C.8 (4a) of the PFM Act of 2009 states that "The head of agency or spending unit shall manage and reconcile the bank accounts authorized for the agency. This is done to ensure accuracy and accountability for all cash and bank transactions. It is also intended to detect and remedy frauds and errors on the bank statements".

1.1.7.2 During the audit, we observed no evidence that Management prepare bank reconciliation statements for the below bank accounts. **See table 6 below for details.**

Table 6: USD Account not reconciled for the audit periods

Account Title	Account #	Bank	Currency	Period not Reconciled
MOCI Operations A/C	1502022248	CBL	USD	July 1, 2020 through June 30, 2021
Japanese Petroleum Product 2015	1502023506	CBL	USD	July 1, 2020 through June 30, 2021
Food AID 2008 Japanese Donated Rice	1501010738	CBL	USD	July 1, 2020 through June 30, 2021
GOL Special Rice Fund	1502020938	CBL	USD	July 1, 2020 through June 30, 2021
Japanese Petroleum Product 2011	1502022262	CBL	USD	July 1, 2020 through June 30, 2021
Monrovia Industrial Park Fencing Project	1120227420 2	CBL	USD	July 1, 2020 through June 30, 2021
LRD Accounts not reconciled for the audit periods				
Account Title	Account #	Bank	Currency	Period not Reconciled
National Standards Laboratory	1501011124 7	CBL	LRD	July 1, 2020 through June 30, 2021
Japanese Petroleum Product 2015	1501011168	CBL	LRD	July 1, 2020 through June 30, 2021
MOCI Operations A/C	1501008421	CBL	LRD	July 1, 2020 through June 30, 2021
Japanese Food AID 2014	1501010769	CBL	LRD	July 1, 2020 through June 30, 2021
Japanese Food AID 2013	1501010776	CBL	LRD	July 1, 2020 through June 30, 2021

Risk

- 1.1.7.3 Failure to adequately prepare bank reconciliations may lead to untimely detection of errors or omissions, and fraud. Management may not be able to fully account for its transactions.

Recommendation

- 1.1.7.4 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated account established by the entity.
- 1.1.7.5 Monthly bank reconciliation statements should be prepared and approved by staff with the relevant qualification, experience and seniority.
- 1.1.7.6 Monthly bank reconciliation report should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.7.7 *The Ministry of Commerce and Industry prepares monthly Bank Reconciliation Statements for all of its accounts and these reconciliations, accompanied by Bank Statements and Cashbook were submitted to the GAC Team during the period of Audit expect for CoVID-19 period when there was a lockdown. Also, it is important to note that the Japanese Accounts reflected in the Audit were transferred to the Ministry of Foreign Affairs since*

2016 and the Ministry has no access to these accounts. However, MoCI accepts GAC recommendation and will hence forth act accordingly.

Auditor General's Position

- 1.1.7.8 The assertion by the MoCI Management is not backed by any documentary evidence. However, we acknowledge Management's acceptance of our recommendation; and, we will make a follow-up on implementation of management's assertions during subsequent audit.

1.1.8 Irregularities Associated with Procurement Management

Observation

- 1.1.8.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".
- 1.1.8.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".
- 1.1.8.3 During the audit, we observe the following irregularities associated with the procurement system:
- 1.1.8.4 There was no evidence of a functional procurement committee evidence by the absence of meeting minutes and periodic reports.
- 1.1.8.5 There was no evidence of Updated procurement plan approved by PPCC.

- 1.1.8.6 There was no evidence of periodic (quarterly and annual) procurement activities report submitted to PPCC.
- 1.1.8.7 During the audit, it was observed that Management procured goods and services totaling US\$88,947.14 and L\$946,363.59 outside its procurement plan and there was no evidence that management prepared and submitted an updated procurement plan to the Public Procurement Concession Commission for approval before undertaking the expenditure.
See table 7 for details

Table 7: Procurement Planning

Description	Amount	US\$	Amount	L\$
Fuel and Gasoline		9,806.76		46,387.69
Repairs and Maintenance		16,502.00		-
Scratch Cards		271.00		52,500.00
Cleaning Materials		64.75		87,567.90
Catering services		4,800.00		-
Foreign Travels		13,012.00		-
Domestic Travels		16,711.68		239,000.00
Print and Publication		9,500.70		394,103.00
Fixed Assets		5,860.70		-
Insurance		3,385.00		-
Other Consumables		9,032.55		126,805.00
Total		88,947.14		946,363.59

Risk

- 1.1.8.8 In the absence of a functional procurement committee, the entity's procurement processes may be discretionary.
- 1.1.8.9 The lack of an updated Procurement Plan may lead to discretionary expenditure, waste and undermine value for money.
- 1.1.8.10 In the absence of a quarterly procurement report, Management may be in noncompliance with the PPC Act of 2005 as amended and restated in 2010.
- 1.1.8.11 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.

Recommendation

- 1.1.8.12 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated in 2010.
- 1.1.8.13 Management should establish a functional procurement committee evidence by the documentation of meeting minutes and periodic reports.

- 1.1.8.14 Management should facilitate the approval of updated procurement plan by PPCC. All unplanned procurement activities should be subsequently submitted to PPCC for approval before execution.
- 1.1.8.15 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated in 2010.

Management's Response

- 1.1.8.16 *The Ministry has a functional procurement committee that comprises of five (5) members, headed by the Minister. As per our record, the Ministry submitted an approved procurement plan to the GAC team of auditors for FY20/21 copy of the approved plans are still available on the Ministry's file. Prior to the approval of FY20/21 procurement plan, MoCI submitted to the PPCC past contracts that was awarded to contractors, vendors which serve as an annual report and a requirement for the final approval of FY19/20 procurement plan. Regarding procurement methods stated in the GAC observation, during the period under audit, the MoCI applied all the basic procurement methods stated in the report with the exception of International competitive bidding base on budgetary ceiling.*

Auditor General's Position

- 1.1.8.17 The assertions by the MoCI Management do not address the issue raised. Therefore, we maintain our recommendation.

1.1.9 Scratch Cards Consumption Log

Observation

- 1.1.9.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."
- 1.1.9.2 During the audit, we observed there was no evidence of scratch card consumption log totaling US\$ 271.00 and L\$ 52,500.00 presented for review. **See Table 8 below for details.**
- 1.1.9.3 We also observed no evidence of an approved Scratch card consumption and distribution policy.

Table 8: Scratch cards consumption Logs.

Date	Voucher #	Payee	Description	Qty	Unit price US\$	Unit Price L\$	Amount L\$	Amount US\$
11/23/2020	7608	Harbel Super Corp	Payment for scratch cards	100	0.91			91.00

Date	Voucher #	Payee	Description	Qty	Unit price US\$	Unit Price L\$	Amount L\$	Amount US\$
5/28/2021	7497	Monoprix Super Market	Payment for scratch cards	12	5.00			60.00
3/17/2021	7534	Sharlene D. Akoi	Payment for scratch cards	3	20.00			60.00
1/8/2022	7411	Sharlene D. Akoi	Payment for scratch cards	3	20.00			60.00
6/7/2021	7530	Stop & Shop Supermarket	Payment for scratch cards	60		875.00	52,500.00	
Total							52,500.00	271.00

Risk

- 1.1.9.4 Scratch card procured may not be based on actual consumption.
- 1.1.9.5 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.

Recommendation

- 1.1.9.6 Management should develop, approve and operationalize a policy on scratch card distribution, consumption, purchase and ensure that proper records are maintained.
- 1.1.9.7 Management should maintain a consumption and distribution log to help manage cost and inform future purchase. These documents should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.9.8 *MoCI accepts GAC recommendation and will henceforth act accordingly. However, attached to each transaction of this kind, is a liquidation report which tell how the scratch cards were consumed. Also, I want the GAC to provide further details on the US\$52,500.00 for the procurement of Scratch Cards as this transaction is not captured on our books for June 07, 2021.*

Auditor General's Position

- 1.1.9.9 We acknowledge management's acceptance of our recommendation. However, we will make a follow up on the implementation of management's assertion. Details on the US\$52,500.00 that was mention in the management letter for the procurement of scratch cards was the (L\$) portion rather than US\$ as slated in the management letter.

1.1.10 Generator / Vehicle Fuel Consumption Log

Observation

- 1.1.10.1 Regulations A.3 (1) of the PFM Act of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government

stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

- 1.1.10.2 During the period under audit, there was no evidence of generators and vehicles fuel consumption log presented for review. **See Table 9 below for details.**

Table 9: Fuel and Gasoline without distribution logs

Date	Voucher #	Payee	Description	Quantities Procured		Total Payment	
				Gasoline	Diesel	US\$	L\$
11/23/2020	7606	Super Petroleum Corp.	Payment for the purchase of gasoline	50	0	150.00	-
10/1/2020	7296	Super Petroleum Corp.	Payment for the purchase of Diesel in coupons	0	50	175.00	-
10/9/2020	7340	Super Petroleum Corp.	Payment for the purchase Diesel in coupons	0	75	262.50	-
2/8/2021	7484	Super Petroleum Corp.	Payment for the purchase petroleum products	790	0	2,653.20	-
2/8/2021	7487	Super Petroleum Corp.	Payment for the purchase of gasoline	90	0	314.82	-
5/10/2021	7597	Super Petroleum Corp.	Payment for the purchase of petroleum products	0	231.956	834.08	-
6/1/2021	7506	Super Petroleum Corp.	Payment for the purchase of Diesel in coupons	0	140	503.12	-
4/21/2021	7573	Super Petroleum Corp.	Payment for the purchase petroleum products	0	295	1,078.11	-
4/14/2021	7565	Super Petroleum Corp.	Payment for the purchase Diesel in coupons	0	690	2,502.23	-
3/16/2021	7531	Super Petroleum Corp.	Payment for the purchase petroleum products	371.350	0	1,334.52	-
6/7/2021	7536	Super Petroleum Corp.	Payment for the purchase of seventy-five	75	0	-	46,387.69

Date	Voucher #	Payee	Description	Quantities Procured		Total Payment	
				Gasoline	Diesel	US\$	L\$
			(75) gallons of gasoline				
Total				1376.35	1481.956	9,807.58	46,387.69

Risk

- 1.1.10.3 Fuel procured may not be based on actual consumption.
- 1.1.10.4 Management may spend above budgeted allocation and fuel may be subjected to misappropriation or theft.

Recommendation

- 1.1.10.5 Management should develop, approve and operationalize a policy on fuel distribution, consumption, purchase and ensure that proper records are maintained.
- 1.1.10.6 Management should maintain a fuel consumption and distribution log to help manage cost and inform future purchase. These documents should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.10.7 *MoCI accepts GAC recommendation and will henceforth act accordingly. However, attached to each transaction of this kind, is a liquidation report which tell how the petroleum products were consumed. The Ministry can provide these documents if necessary.*

Auditor General's Position

- 1.1.10.8 We acknowledge management's acceptance of our recommendation. We will make a follow-up on the implementation of the audit recommendation in subsequent audit. However, Management is in breach of financial discipline in line with Regulations A.3 (1) of the PFM Act of 2009.

1.1.11 Income Tax Not Withheld

Observation

- 1.1.11.1 Section 53(a) of the Revenue code of Liberia 2000 Every resident having a tax obligation under this Chapter is required to obtain a Tax Identification Number ("TIN"), but in no case may a resident obtain more than one TIN. The Minister shall by regulation provide procedures for acquiring a TIN and shall widely publish information about those procedures. No taxpayer is to be charged a fee for obtaining a TIN. A resident subject to tax withholding is required to supply the TIN to the withholding agent (as defined in Section 905 and Section 806).
- 1.1.11.2 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates: "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "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”.

- 1.1.11.3 During the audit, we observed that there was no evidence of Management deducting and remitting into the GoL General Revenue Account the amount of US\$2,051.63 and L\$80,281.72 as withholding taxes from goods and services taxes (GST) from Vendors. **See Annexure 2 for details.**

Risk

- 1.1.11.4 Failure to remit taxes withheld, may deny GoL of much needed tax revenue.
- 1.1.11.5 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. Please see Section 52 of the Revenue Code of Liberia as reference above.
- 1.1.11.6 Non-remittance of withholding taxes may lead to overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.1.11.7 Management should provide substantive justification for not withholding and remitting taxes on goods and services for the transactions identified, as provided for by the Revenue Code of Liberia.
- 1.1.11.8 Management should adjust the cash book by the total value of the non-remitted withholding taxes and restate the financial statements with the adjusted cash balance.
- 1.1.11.9 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.1.11.10 Evidence of remittance of withholding taxes should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.11.11 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.11.12 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.12 Lack of Policies and Procedures

Observation

- 1.1.12.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board or head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The

institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management mitigates those risk that are meaningful to the organization's objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

1.1.12.2 During the audit, it was observed that Management did not develop various policies to guide its operations. There was no evidence of approved policy for the following:

- Financial Manual
- Risk management
- Asset Management
- Fuel and scratch cards distribution

Risk

1.1.12.3 Failure to develop policies to guide the activities of MoCI may lead to arbitrary decisions that may be non-compliant to applicable laws and Regulations and may impair the achievement of MoCI's objectives.

Recommendation

1.1.12.4 Management should develop, approve and operationalize the policies listed above for the effective and efficient operations of the entity. Evidence of approved policies should be adequately documented and filed to facilitate future review.

Management's Response

1.1.12.5 *Relative to the Risk Management Policy and Report, the MoCI has initiated the adoption of an administrative policy document (still in draft) that encompasses Risk Policy, Financial Policy, HR, and Procurement etc. Also, the MoCI recognizes the importance of written policy and report for the Risk Management.*

Auditor General's Position

1.1.12.6 The assertions made by the MoCI Management are not backed by any documentary evidence. However, we will make a follow up on the implementation of the recommendation in subsequent audit.

1.1.13 Irregularities Associated with Fixed Asset Management

Observation

1.1.13.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:

- the date and other details of the voucher or other document on which the items were received or issued;
- their serial numbers where appropriate; and
- their distribution to individual locations and the total quantity held."

1.1.13.2 During the audit, we observed that the following irregularities were associated with the Fixed Assets Management System:

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns.
- The fixed assets register was not regularly updated.
- There was no evidence of periodic physical verification of assets by Management
- There was no evidence of movement of assets form.
- The fixed Asset of the entity were not coded.

Risk

1.1.13.3 Fixed Assets Register may be misstated (Over/understated).

1.1.13.4 Assets may be damaged or impaired but their values are still on the books.

1.1.13.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.

1.1.13.6 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of MoCI objectives.

1.1.13.7 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

1.1.13.8 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.

1.1.13.9 Management should set assets value to be recorded, develop and maintain an updated fixed asset register that is transparent and contain information such as; original costs, source of purchase, date, assignee, etc. in compliance with the applicable regulations.

1.1.13.10 Management should ensure that the fixed assets register is updated to reflect the following; description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.

1.1.13.11 Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.

1.1.13.12 The Fixed Assets Register should be updated periodically to reflect all entity's assets.

1.1.13.13 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.

1.1.13.14 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.

Management's Response

- 1.1.13.15 *Prior to the commencement of the audit, the MoCI has commenced the conduct of physical inventory of all its fixed assets. The exercise is intended to continue updating of the Fixed Asset Register. Upon completion of the exercise, the MoCI will provide copy of its updated Fixed Asset Register to the GAC.*

Auditor General's Position

- 1.1.13.16 The assertions made by the MoCI Management are not backed by any documentary evidence. However, we will make a follow up on the implementation of the recommendation in subsequent audit.

1.1.14 No Evidence of Approved Strategic Plan

Observation

- 1.1.14.1 In terms of the COSO Internal Control-Integrated Framework, the Organization should set entity-level objectives that align with the entity's mission and value proposition. These high-level objectives, which are a key part of Strategic Planning, reflect management's choice of how the organization will seek to create, preserve, and realize value for its stakeholders. This guide will ensure that Management operations are ethical, orderly, economical, efficient, and effective.

- 1.1.14.2 During the audit, we observed that Management did not finalize and approve its Strategic Plan to serve as a basis on which resources were allocated.

Risk

- 1.1.14.3 Failure to develop a strategic plan to guide the activities of MoCI may lead to arbitrary decisions that may be non-compliant to applicable laws and Regulations and undermine the achieving of MoCI's objectives.

Recommendation

- 1.1.14.4 Management should ensure that a strategic plan is developed, approved and operationalized for the effective and efficient operations of MoCI. These documents should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.14.5 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.14.6 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.15 Store Room Management

Observation

- 1.1.15.1 Regulation U.7 (2) of the PFM Act of 2009 requires that notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of

government Inventories held within the Government Agency and for the due performance of the duties of subordinate staff in relation to the government Inventories. Public Sector Accounting Standards as adopted by the Government of Liberia.

1.1.15.2 During the audit, we observed the following irregularities associated with the storeroom management system at the entity:

- There was no evidence of inventory and supplies receipt and distribution log maintained by the store officer to track the movement of inventory and supplies at the entity.
- There was no evidence of regular or surprise stock count by an independent senior officer during the period for the purpose of check and balances.

Risk

1.1.15.3 Inventories may be misappropriated leading to decline in operational activities.

1.1.15.4 Failure to effectively maintain documentations for inventory receipt, storage, and distribution may lead to unauthorized and misappropriation of inventory.

Recommendation

1.1.15.5 Management should initiate at least an excel based inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

1.1.15.6 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.

1.1.15.7 All inventory records including records of stock takes, should be adequately documented and filed to facilitate future review.

Management's Response

1.1.15.8 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

1.1.15.9 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.16 ICT Strategic Committee

Observation

1.1.16.1 APOO1.01.7 of Cobit 5, Organizational structure requires that, Establishment of an ICT strategic committee (or equivalent) at the board level. This committee should ensure that governance of ICT as part of the enterprise governance is adequately addressed; advise on strategic direction, and review major investments on behalf of the full board

1.1.16.2 During the audit, we observed no evidence of an approved ICT strategic committee to address issues that are center on the operations of the ICT control environment.

1.1.16.3 In addition, there was no evidence of an ICT strategic committee meeting minutes to show that, the board met regularly to adequately address the strategic direction and review major investments in ICT governance.

Risk

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

Recommendation

1.1.16.5 Management should establish an IT Strategic Committee to provide strategic oversight of the IT strategic goals, objectives and activities.

1.1.16.6 Management should ensure that the IT Strategic Committee is functional evidence by documentation of meeting minutes and periodic reports.

Management's Response

1.1.16.7 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

1.1.16.8 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.17 Lack of ICT Strategic Plan

Observation

1.1.17.1 Control Objectives for Information and Related Technologies (COBIT) 5 APO02.05 requires an entity to Create a strategic plan that defines, in cooperation with relevant stakeholders, how IT- related goals will contribute to the enterprise's strategic goals. Include how IT will support IT- enabled investment programs, business processes, IT services and IT assets. Direct IT to define the initiatives that will be required to close the gaps, the sourcing strategy and the measurements to be used to monitor achievement of goals, then prioritize the initiatives and combine them in a high-level road map.

1.1.17.2 During the audit, it was observed that there was no evidence of an approved IT strategic Plan developed for use to manage and direct all IT resources in line with the business strategy and priorities.

Risk

1.1.17.3 The absence of an IT strategic plan may result in the acquisition and use of unsuitable ICT equipment and services.

1.1.17.4 Management may be unable to identify ICT gaps associated with the systems.

Recommendation

- 1.1.17.5 Management should create a strategic plan to support its business requirements.
- 1.1.17.6 The IT strategic Plan should identify gaps and recommend solutions to aid Management to achieve ICT operation objectives.

Management's Response

- 1.1.17.7 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.17.8 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.18 No up-to-date license Anti-Virus

Observation

- 1.1.18.1 DSS01.04 of Cobit 5, Maintain measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment.
- 1.1.18.2 During the audit, we observed that there was no License anti-virus on any of the computers or Desktops within the Ministry.

Risk

- 1.1.18.3 IT services may be interrupted, data corruption may occur.

Recommendation

- 1.1.18.4 Management should Purchase a licensed anti-virus so as to avoid IT service interruption and Data corruption.

Management's Response

- 1.1.18.5 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.18.6 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

1.1.19 Threat to Business Continuity

Observation

- 1.1.19.1 Dss04.02 of COBIT 5 - maintain a continuity strategy, evaluate business continuity management options and choose a cost-effective and viable continuity strategy that will ensure enterprise recovery and continuity in the face of a disaster or other major incident or disruption. Business continuity management proactively improves the enterprise's resilience against operational disruptions and provides the capacity to adequately react to threats.

- 1.1.19.2 During the audit our assessment performed on the readiness of Management in case of a disruption revealed the following exceptions;
- No evidence of a Business Continuity Plan (BCP)
 - No evidence of a Disaster Recovery Plan or Site
 - No evidence of a Network redundancy
- 1.1.19.3 Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) - 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.
- 1.1.19.4 Disaster Recovery Plan or Site - is a location where an organization can relocate following a disaster for all critical information and information assets.
- 1.1.19.5 Network redundancy - is a process through which additional or alternate instances of network devices, equipment and communication mediums are installed within a network infrastructure. It is a method for ensuring network availability in case of a network device or path failure and unavailability. As such, it provides a means of a network failover.

Risk

- 1.1.19.6 Failure to develop an approved business continuity plan, disaster recovery plan and network redundancy may result in loss of transactions data in situations where the impact of a disruption on critical business functions occurs.
- 1.1.19.7 Additionally, the lack of an offsite backup facility may lead to loss of service to users, loss of credibility, incomplete and inaccurate records in the event of a disaster.

Recommendations

- 1.1.19.8 Management should develop, approve and operationalize an IT continuity plan, disaster recovery plan and network redundancy 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.
- 1.1.19.9 Additionally, Management should obtain an offsite secure location backup facility to provide disaster recovery protection that will safeguard the business and its resources from future disasters.

Management's Response

- 1.1.19.10 *MoCI accepts GAC recommendation and will henceforth act accordingly.*

Auditor General's Position

- 1.1.19.11 We acknowledge management's acceptance of our recommendation. We will make a follow up on the implementation of management's assertion.

ANNEXURE

Annexure 1: Third Party Payment

Date	Payee	Description	Check #	Amount US\$
13-Oct-20	Rita S Cole	Payment to facilitate media coverage for the office turnover program which will be held on Wednesday, October 14, 2020.	332697	1,000.00
17-Nov-20	Rita S Cole	The payment represents press engagements for an assessment tour led by the minister of Commerce Hon. Mawine G Diggs covering November 17&19, 2020.	332682	560.00
26-Nov-20	Rita S Cole	The payment as transportation allowance and lunch to facilitate media coverage of an assessment tour led by the Minister, Ministry of Commerce and Industry on November 17&19, 2020.	332658	210.00
26-Nov-20	Rita S Cole	payment to facilitate public service announcements through media institutions for the Ministry of Commerce & Industry	32661	95.00
20-Jan-21	Rita S Cole	Payment for the publishing and airing of public service announcements through media institutions for an upcoming general market inspection to be held by the Ministry of Commerce & Industry starting January 26, 2021	332643	565.00
20-Jan-21	Rita S Cole	Payment for the publishing of public service announcement through media institutions for an upcoming general Market Inspection to e held by the Ministry of Commerce on Jan. 20, 2021	3326643	565.00
16-Feb-21	Rita S Cole	The payment as publicity for an ongoing general inspection exercise held by the Ministry of Commerce & Industry.	3327040	900.00
9-Mar-21	Rita S Cole	Payment to facilitate media coverage on the Ministry of Commerce & Industry Stakeholder's workshop on AFCFTA from February 9-10, 2021.	332637	1,000.00

Date	Payee	Description	Check #	Amount US\$
1-Mar-21	Rita S Cole	Payment for media Coverage to facilitate the disposal of Fifty-Nine Thousand (59,000) bags of contaminated rice from the warehouse of KK at the Freeport of Monrovia	332719	750.00
22-Oct-20	Frederick C Yagbah	Payment representing fees for the Covid19-PCR test in favor of Patrick A. Blamo a Staff of the National Standards Laboratory who is returning to Liberia after completing studies.	332685	300.00
17-Jan-20	Abraham Swaray	Payment representing fees for the adoption of environmental standards by the division of standards of the Ministry of Commerce & Industry, this fund was provided by the GIZ for this purpose.	318669	3,645.00
4/15/2021	Sharlene D. Akoi	Payment for the reconditioning of the sofa in the visitor's waiting room on the ground floor	332295	1,195.00
3/17/2021	Sharlene D. Akoi	payment for the purchase of the scratch card	332707	60.00
1/8/2021	Sharlene D. Akoi	payment for the purchase of the scratch card	211881	60.00
Total				10,905.00

Annexure 2: Unremitted Goods and Services Taxes (GST) from Vendors

Date	Payee	Description	Payment		Percentage	Unremitted GST Tax	
			US\$	L\$		US\$	L\$
5/24/2021	Liberia Home & Office Solution	Payment for the purchase of stationery materials	1,075.00	-	0.04	43.00	-
3/16/2021	Liberty Trading Company	Payment for the purchase of one (1) carton of cream Goglo paper	120.00	-	0.02	2.40	-
3/16/2021	Sky-Tech International (Liberia) Inc	Payment for the purchase of assorted stationery materials	-	62,825.00	0.02	-	1,256.50
3/26/2021	Sky-Tech International (Liberia) Inc	Payment for the purchase of three (3) rams of A4 sheet, two (2) reams of Legal sheets, two pieces of Laser jet Cartridge and twelve (12) pieces of A4 manila folder	335.00	-	0.02	6.70	-

Date	Payee	Description	Payment		Percentage	Unremitted GST Tax	
			US\$	L\$		US\$	L\$
3/23/2021	Sky-Tech International (Liberia) Inc	Payment for the purchase of one box of executive pen, one cartoon of A4 binder and catridge737	185.00	-	0.02	3.70	-
2/18/2021	Liberia Home & Office Solution	Payment for the purchase of stationery materials	257.25	-	0.04	10.29	-
8/25/2020	Liberia Home & Office Solution	Payment for the purchase of assorted stationery materials	-	37,600.00	0.02	-	752.00
1/6/2021	Liberia Home & Office Solution	Payment for the purchase of stationery materials	538.00	-	0.04	21.52	-
4/21/2021	Liberia Home & Office Solution	Payment for the purchase of assorted stationery materials	836.00	-	0.04	33.44	-
4/21/2021	Mattar Trading Company	Payment for the purchase of two pieces 737 Cartridges for the three in-one canon printers	150.00	-	0.02	3.00	-
5/5/2021	Solomon S. Patrick	Payment for general servicing of vehicle with plate # MOCI 3002	1,650.00	-	0.04	66.00	-
9/17/2020	Solomon S. Patrick	Payment for general servicing of vehicle with plate # RL3009, RL3010 and RL3014	5,680.00	-	0.04	227.20	-
2/18/2021	GBK Motors Inc.	Payment for assessment and general servicing of vehicle assigned to the office of the Deputy Minister for industry with plate # GOL3028	420.00	-	0.02	8.40	-
2/12/2021	Auto Spare Service	Payment for servicing of GOL vehicle with plate # LB-3006	1,399.00	-	0.02	27.98	-
2/18/2021	GESCO	Payment for and general servicing and purchase of four (4) tyres, wheel ring and jack for government vehicle with plate # LB-3008	1,330.00	-	0.02	26.60	-
5/5/2021	FARUSS Inc.	Payment for general servicing of vehicle with plate # LB-2760	1,520.00	-	0.04	60.80	-
4/4/2021	Tom American Auto Garage	Payment for the repair and maintenance of vehicles with plate #GSA-MOC-02-17 & LB 3030	1,510.00	-	0.04	60.40	-

Date	Payee	Description	Payment		Percentage	Unremitted GST Tax	
			US\$	L\$		US\$	L\$
5/5/2021	FARUSS Inc.	Payment for general servicing of vehicle with plate # -3039	1,381.50	-	0.04	55.26	-
3/17/2021	FARUSS Inc.	Payment for general servicing and repairs of vehicle with plate # - GSA-MOA/MOC-04-71	1,056.00	-	0.04	42.24	-
5/5/2021	G.B. K. Motors Inc.	Payment for the purchase of one spare tire to be used for the back-up vehicle with plate #3032	265.00	-	0.02	5.30	-
3/24/2021	SaKSOUK Shopping Center	Payment for the purchase of cleaning materials to be used by the Administrative Support services	-	42,525.00	0.02	-	850.50
2/23/2021	Saksuok Shopping Center	Payment for the provisions for the office of the Minister	127.50	-	0.04	5.10	-
6/7/2021	Stop & Shop Supermarket, Inc	Payment for the purchase of assorted cleaning materials	-	46,830.00	0.02	-	936.60
4/21/2021	Elite Bar & Restaurant	Payment for catering services rendered the (LIPO)	2,000.00	-	0.04	80.00	-
1/11/2021	Fawaz Building materials	Payment for the purchase of 65 pieces of big par lock	845.00	-	0.02	16.90	-
4/26/2021	City Builders Inc	Payment for the purchase of materials for the Ministry security	177.50	-	0.02	3.55	-
6/7/2021	Super Petroleum Corporation	Payment for the purchase of seventy-five (75) gallons of gasoline	-	46,856.25	0.01	-	468.56
3/16/2021	Super Petroleum Corporation	Payment for the purchase of petroleum product	1,348.00	-	0.01	13.48	-
4/14/2021	Super Petroleum Corporation	Payment for the purchase of diesel in coupons	2,527.50	-	0.01	25.28	-
2/8/2021	Super Petroleum Corporation	Payment for the purchase of petroleum product	2,680.00	-	0.01	26.80	-
2/8/2021	Super Petroleum Corporation	Payment for the purchase of gasoline	318.00	-	0.01	3.18	-
5/10/2021	Super Petroleum Corporation	Payment for the purchase of petroleum product	842.50	-	0.01	8.43	-
6/1/2021	Super Petroleum Corporation	Payment for the purchase of fuel	508.20	-	0.01	5.08	-

Date	Payee	Description	Payment		Percentage	Unremitted GST Tax	
			US\$	L\$		US\$	L\$
4/21/2021	Super Petroleum Corporation	Payment for the purchase of petroleum product	1,089.00	-	0.01	10.89	-
12/7/2021	Hope Security services INC	Payment for security guard services rendered the Monrovia Industrial Park(MIP) for the three(3) months covering March 1-31, 2021 through may 1-30, 2021	6,240.00	-	0.04	249.60	-
2/26/2021	Hope Security services INC	Payment for security guard services rendered the Monrovia Industrial Park(MIP) for the three(3) months covering Jan 1-31 through Feb 1-28, 2021	4,161.00	-	0.04	166.44	-
10/2/2020	Hope Security services INC	Payment for security guard services rendered the Monrovia Industrial Park(MIP) covering July -August 2020	-	832,000.00	0.04	-	33,280.00
11/17/2020	Hope Security services INC	Payment for security guard services rendered the Monrovia Industrial Park(MIP) covering Sept1-30, 2020 through Oct 1-31, 2020	-	674,336.00	0.04	-	26,973.44
6/28/2021	Safe Travel & Tours	Payment as means of Travel to facilitate the travel of Hon Mawine G. Diggs, official visit to the USA July1-13, 2021	6,980.00	-	0.04	279.20	-
10/26/2020	Jos Travel & Tours	Payment for foreign means of travel to facilitate the travel of one of the staffer of NSL who has completed his studies and needs to return.	1,696.00	-	0.04	67.84	-
2/8/2021	Computer Labs International	Payment for the printing of five hundred (500) pieces of ID cards for MOCI, NSL and LBR staff .	6,980.00	-	0.04	279.20	-
6/17/2021	Graphic Arts Printing Enterprise	Payment for the printing of two(2) dozen of payment of payment vouchers and box folders for th finance Division of the MOCI.	1,696.00	-	0.04	67.84	-

*Management letter on the Financial Statement
Audit of the Ministry of Commerce and Industry (MoCI)
For the period ended June 30, 2021*

Date	Payee	Description	Payment		Percentage	Unremitted GST Tax	
			US\$	L\$		US\$	L\$
3/29/2021	Satec Liberia	Payment for the printing of MOCI society jackets, Logo, and branding of MOCI	175.00	-	0.04	7.00	-
3/23/2021	Alley Printing Press INC	Payment for the purchase and printing of letter headed envelopes two (2) cartons to be used by the office of the minister of MOCI.	300.00	-	0.04	12.00	-
8/25/2020	SPECTRUM print INC	Payment for the purchase 10 EPD invoice booklets to be used by the customer service center.	-	90,000.00	0.04	-	3,600.00
4/29/2021	Satec Liberia	Payment for the printing of fourteen (50) booklets of General Inspection form (GIF) and four (4) booklets of inspection Authorization order to be used for Inspection Activities by the MOCI	490.00	-	0.04	19.60	-
12/29/2020	Graphic Arts Printing Enterprise	Payment for the printing of fifty(14) Field Jackets for the Division of Industrial Development and Compliance Support to be used during industrial Audit at the MOCI	-	304,103.00	0.04	-	12,164.12
Total			60,888.95	2,137,075.25		2,051.63	80,281.72