



## Management Letter

### On The Financial Statements Audit of Liberia Telecommunications Corporation (LIBTELCO)

*For the Period Ended June 30, 2016*



**Promoting Accountability of Public Resources**

**Monrovia, Liberia**  
December 2022

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

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## Republic of Liberia



November 8, 2023

Hon. Richmond N. Tobii  
**Managing Director**  
Liberia Telecommunications Corporation  
Republic of Liberia

Dear Hon Tobii:

### **Re: Management Letter on the Audit of the Liberia Telecommunications Corporation (LIBTELCO) for the period July 1, 2015 to June 30, 2016.**

The Audit of the Financial Statements of the Liberia Telecommunications Corporation (LIBTELCO) for the period July 1, 2015 to June 30, 2016 was commissioned by the Auditor-General (AG) under the AG's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

#### **Introduction**

The Audit of LIBTELCO for the fiscal period ended June 30, 2016 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). 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.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the LIBTELCO 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.

### **Key Management Personnel**

**The following were the accounting officers during the period July 1, 2015 to June 30, 2016:**

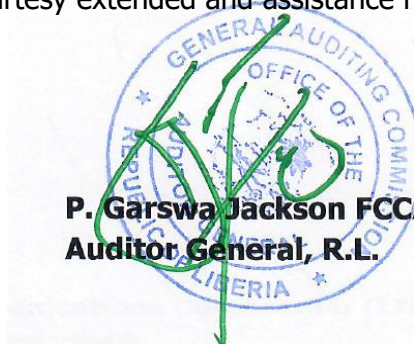
<b>No.</b>	<b>Name</b>	<b>Position</b>
1	Sebastian Muah	Managing Director (MD)
2	Checago Bright-Sawo	Deputy MD/Operations
3	Tiedi Bropleh	Director of Administration
4	Sirleaf Tyler	Chief Financial Officer
5	Alphonso Sharpe	Comptroller

### **APPRECIATION**

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

**Monrovia, Liberia**  
November 2023

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



## ACRONYMS

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CCL	Cable Consortium Liberia
CGMA	Chartered Global Management Accountant
CPA	Certified Public Accountant
GAC	General Auditing Commission
GoL	Government of Liberia
LIBTELCO	Liberia Telecommunications Corporation
LRA	Liberia Revenue Authority
LTA	Liberia Telecommunications Authority
M & E	Monitoring and Evaluation
PFM Act	Public Finance Management Act
PPC Act	Public Procurement & Concessions Act
PPCC	Public Procurement and Concessions Commission
PV	Payment Voucher
US\$	United States Dollar

## 1. DETAILED FINDING AND RECOMMENDATIONS

### 1.1 Financial Statements Issues

#### 1.1.1 Revenue

##### *Total Revenue*

##### **Observation**

- 1.1.1.1 Accounting Standard Codification (ASC) 606 Revenue from Contracts with Customer requires that revenue is recognized when or as each performance obligations is satisfied.
- 1.1.1.2 Section 36(1) of the PFM Act of 2009 states "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".
- 1.1.1.3 During the audit, we observed the amount reported in the financial statements exceeded the amount reported in the trial balance by US\$3,106,021.50. **See table 1 below.**

**Table 1: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$	Amount Reported in the Ledger & Trial Balance US\$ B	Variance C = A – B US\$
Revenue	3,427,961.00	3,426,759	321,939.50	3,106,021.50

- 1.1.1.4 Additionally, we observed a variance of US\$1,202.00 between the notes and financial statements.

##### **Risk**

- 1.1.1.5 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of revenue and the financial statements.

##### **Recommendation**

- 1.1.1.6 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of revenue in the financial statements.
- 1.1.1.7 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.

1.1.1.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.

1.1.1.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management's Response**

1.1.1.10 *Management did not respond to our findings.*

**Auditor General's Position**

1.1.1.11 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.2 Unrecorded Invoices**

**Observation**

1.1.2.1 Accounting Standard Codification (ASC) 606 Revenue from Contracts with Customer requires that revenue is recognized when or as each performance obligations is satisfied.

1.1.2.2 During the audit, we observed invoices amounting to US\$913,380.15 from inspection of sample of customers files for the year 2015/2016 that could not be traced to the Receivables and Revenue Ledger. **See Annexure 1 for details.**

**Risk**

1.1.2.3 Revenue and receivables may be misstated.

1.1.2.4 Failure to recognize revenue and receivables transactions in line with ASC 606 accounting standards may lead to understatement of revenue and receivables.

**Recommendation**

1.1.2.5 Management should update the revenue and receivables ledgers with the outstanding unrecorded invoices and subsequently adjust the financial statements.

1.1.2.6 Management should ensure that monthly revenue reconciliation is performed by reconciling bills to payments (using the bank statements). Outstanding payments should be captured in the receivable's ledgers.

1.1.2.7 Monthly revenue reconciliations reports should be adequately documented and filed to facilitate future review.

**Management's Response**

1.1.2.8 *Management did not respond to our finding.*



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

- 1.1.2.9 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.1.3 Co-Location Revenue**

#### **Observation**

- 1.1.3.1 ASC 606 Revenue from Contracts with Customer requires that revenue is recognized when or as each performance obligations is satisfied.
- 1.1.3.2 Add Criteria on Fines for co-location
- 1.1.3.3 Part VIII Section 41 (2) of the Liberia Telecommunications Act of 2007 states "The party requesting co-location shall compensate the party required to provide co-location for such an amount as the parties may agree, where the parties are unable to agree, as may be determined by the Liberia Telecommunications Authority (LTA).
- 1.1.3.4 During the audit, we observed that the Management recorded the total amount of US\$420.00 as co-location revenue from the hosting of IFMIS Wide network. We further observed that Management did not include revenue generated from its telecommunications towers and facilities located around the country as a part of co-location revenue; whereas inspection of files shows that the entity invoiced the total amount of US\$43,200.00 from Lonestar Cell MTN for towers rental in 2015/2016. **See Annexure 2 for details:**
- 1.1.3.5 We further observed during our field visit that most of the entity's towers are been used by ORANGE (Liberia) Ltd, and several community radios stations without evidence of the LIBTELCO Management recording a co-location revenue. In addition, the Audit team was not provided contracts for the use of the entity's towers and facilities.

#### **Risk**

- 1.1.3.6 Failure to recognize all revenue from leased assets may lead to misstatement of revenue and receivables.
- 1.1.3.7 Failure to comply with regulator's laws and maintain documents in line with public financial management laws may lead to fines that could be material to the financial statements.

#### **Recommendation**

- 1.1.3.8 Management should catalogue all contracts (including invoices) from co-location revenue and adjust the financial statements accordingly.
- 1.1.3.9 Management should institute an efficient system of recognizing revenue generated from co-locating towers and rental properties.

- 1.1.3.10 An invoice should be immediately raised for the total value of the contract captured as deferred revenue. As and when the service is performed, Management should debit the deferred revenue account and credit the revenue account by the total value of the service performed.

**Management’s Response**

- 1.1.3.11 *Management did not respond to our findings.*

**Auditor General’s Position**

- 1.1.3.12 In the absence of Management’s response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.4 Other Income**

**Observation**

- 1.1.4.1 ASC 606 Revenue from Contracts with Customer requires that revenue is recognized when or as each performance obligations is satisfied.
- 1.1.4.2 Section 36(1) of the PFM Act of 2009 states “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”.
- 1.1.4.3 During the audit, we observed the amount reported in the financial statements for other income exceeded the amount reported in the trial balance by US\$1,696,052.86. **See table 2 below.**

**Table 2: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$	Amount Reported in the Ledger & Trial Balance US\$ B	Variance C = A - B
Other Income	368,101.00	368,101.00	2,064,154.86	1,696,052.86

**Risk**

- 1.1.4.4 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of other income and the financial statements.

**Recommendation**

- 1.1.4.5 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of other income in the financial statements.

- 1.1.4.6 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.1.4.7 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.1.4.8 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

#### Management's Response

- 1.1.4.9 Management did not respond to our finding.

#### Auditor General's Position

- 1.1.4.10 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.5 Cost of Sales

#### Observation

- 1.1.5.1 ASC 705 'Cost of Sales and Services' provide guidance on accounting for costs of sales.
- 1.1.5.2 Section 36(1) of the PFM Act of 2009 states "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".
- 1.1.5.3 During the audit, we observed that costs of sales amount of US\$410,451.00 in the notes did not match the amount of US\$112,754.00 reported in the financial statements.
- 1.1.5.4 Also, the ledger did not contain those elements which were aggregated in the notes to make up the summary amount of costs of sales reported in the financial statements. **See table 3 below.**

**Table 3: Discrepancies between the Notes and the Ledger**

Financial statements note elements	Amount in the Notes to the financial statements US\$ A	Amount in the Ledger/Trial Balance US\$ B	Variance C = A - B
Cost of sales	221,365.00	0.00	221,365.00
Interconnection Charges – International	94,736.00	0.00	94,736.00
Interconnection Charges	94,350.00	0.00	94,350.00

Financial statements note elements	Amount in the Notes to the financial statements US\$ A	Amount in the Ledger/Trial Balance US\$ B	Variance C = A - B
– Local			
<b>Total Cost of Sales</b>	<b>410,451.00</b>	<b>0.00</b>	<b>410,451.00</b>

### Risk

- 1.1.5.5 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of cost of sales in the financial statements.

### Recommendation

- 1.1.5.6 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of cost of sales in the financial statements.
- 1.1.5.7 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.1.5.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.1.5.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

### Management's Response

- 1.1.5.10 *Management did not respond to our findings.*

### Auditor General's Position

- 1.1.5.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.1.6 Personnel Costs

### Observation

- 1.1.6.1 ASC 715 Employee Benefits provide guidance on accounting for Short-term employee benefits, Postemployment Benefits, Termination Benefits and Other-long Term Employee Benefits.

- 1.1.6.2 Section 36(1) of the PFM Act of 2009 states “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”.
- 1.1.6.3 During the audit, Management did not provide documentation for payrolls for the fiscal year 2015/2016 to verify transactions amounting to US\$1,621,320.00 in the financial statements.
- 1.1.6.4 We further observed that the trial balance figure of US\$1,621,320.00 for salaries and wages is less than the amount reported in the notes to the financial statements. There was a variance of US\$1,565,304.97 between the financial statements and the trial balance for salaries and wages. **See table 4 below for details.**

**Table 4: Analysis of Trial Balance and Financial Statements**

Total Salaries Amount per Trial Balance US\$ A	Total Salaries Amount per Financial Statements US\$ B	Variance US\$ C = A – B
56,015.03	1,621,320.00	-1,565,304.97

**Risk**

- 1.1.6.5 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of cost of sales in the financial statements.

**Recommendation**

- 1.1.6.6 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of personnel cost in the financial statements.
- 1.1.6.7 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.1.6.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.1.6.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management’s Response**

- 1.1.6.10 *Management did not respond to our findings.*

### Auditor General's Position

1.1.6.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.1.7 Depreciation and Amortization

#### Observation

1.1.7.1 ASC 360-10 Property, Plant and Equipment require that assets are initially recognized at cost and subsequently measure at cost less accumulated depreciation and impairment losses.

1.1.7.2 Section 36(1) of the PFM Act of 2009 states "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".

1.1.7.3 During the audit, we observed a variance of US\$1,490,954.00 between the financial statements and the amount recorded in the Fixed Asset Register (FAR) for depreciation expense. Further, we could not recompute the depreciation expense due to the absence of the dates of acquisition of assets listed in the fixed assets register. **See table 5 below for details:**

**Table 5: Discrepancy between Assets Register Summary and Financial Statements**

Total Depreciation Expense per financial statements US\$ A	Total Depreciation Expense per Fixed Asset Register Summary US\$ B	Variance US\$ C = A – B
2,280,206.00	789,252.00	1,490,954.00

1.1.7.4 We further observed that no amount was recorded in the trial balance and depreciation ledger for depreciation expense.

#### Risk

1.1.7.5 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of depreciation expense in the financial statements.

#### Recommendation

1.1.7.6 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of depreciation in the financial statements.

- 1.1.7.7 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.1.7.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.1.7.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management's Response**

- 1.1.7.10 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.1.7.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.2 Administrative Expenses**

**1.2.1 Unsupported Entries in Suspense Expense Account**

**Observation**

- 1.2.1.1 ASC 720 "Other Expenses" provide guidance on expensing of costs.
- 1.2.1.2 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."
- 1.2.1.3 During the audit, the Suspense Expense Account Balance for the year ended June 30, 2016 was a credit balance of US\$94,647.14 which is unusual for an expense account. Further, our examination of the total debit and credit transactions in the Suspense Account amounting to US\$254,143.91 reveal that there no supporting documents to substantiate the transactions. **See Annexure 3 for details.**

**Risk**

- 1.2.1.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments cannot be assured. This may lead to inappropriate/fraudulent financial reporting.

1.2.1.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

**Recommendation**

1.2.1.6 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations.

1.2.1.7 Documentation for transactions should be adequately documented and filed to facilitate future review.

**Management’s Response**

1.2.1.8 *Management did not respond to our findings.*

**Auditor General’s Position**

1.2.1.9 In the absence of Management’s response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.2.2 Total Operating Expenses**

**Observation**

1.2.2.1 ASC 720 “Other Expenses” provide guidance on expensing of costs.

1.2.2.2 Section 36(1) of the PFM Act of 2009 states “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”.

1.2.2.3 During the audit, we observed the amount reported in the financial statements for total operating expense exceeded the amount reported in the trial balance by US\$3,987,394.81.

**See table 6 below.**

**Table 6: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements A US\$	Amount Reported in Notes B US\$	Amount Reported in the Ledger & Trial Balance C US\$	Variance D US\$ D = A – C
Operating Expenses	4,089,253.00	6,806,532.00	101,858.19	3,987,394.81

**Risk**

1.2.2.4 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of total operating expense in the financial statements.



### Recommendation

- 1.2.2.5 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of other operating expenses in the financial statements.
- 1.2.2.6 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.2.2.7 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.2.2.8 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

### Management's Response

- 1.2.2.9 *Management did not respond to our findings.*

### Auditor General's Position

- 1.2.2.10 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.3 Cash

### 1.3.1 Cash Receipts Not Deposited

#### Observations

- 1.3.1.1 ASC 305 Cash and Cash Equivalent requires cash received and undeposited checks received are recorded and reported as cash and cash equivalent and appropriately disclosed.
- 1.3.1.2 During the audit, we observed there was no evidence the total amount of L\$1,410,044.50, noted from samples of cash receipts in the two receipt booklets presented for audit, were deposited in any of Management bank accounts. **See table 7 below.**

**Table 7: Cash Receipts in Booklets not traced to Bank Statements**

Receipt No	Receipt Date	Customer Name	Check Number in Booklet	Bank Check Received	Amount US\$	Amount LR\$
2339	2/17/2016	MOH	9311	Not clear on receipts		1,157,044.50
2590	2/17/2016	Temple of Justice	Not Clear	Not clear on receipts		253,000.00
<b>Total</b>						<b>1,410,044.50</b>

### **Risk**

1.3.1.3 Failure to ensure that cash receipts are subsequently deposited in the entity's bank accounts may lead to misappropriation of the entity funds.

1.3.1.4 Cash and bank balances reported in the financial statements may be misstated.

### **Recommendation**

1.3.1.5 Management should account for cash received and not deposited in the entity's bank accounts.

1.3.1.6 Management should ensure that all cash receipts from customers are deposited in the entity's bank account.

1.3.1.7 A monthly reconciliation should be performed between bills (invoices), bank statements and the cash ledgers. Discrepancies identify should be investigated and adjusted in a timely manner.

1.3.1.8 Evidence of reconciliation reports including bills (invoices), bank statements, receipts etc. should be adequately documented and filed to facilitate future review.

### **Management's Response**

1.3.1.9 *Management did not respond to our findings.*

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

1.3.1.10 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.3.2 Cash Receipts Booklets**

### **Observations**

1.3.2.1 ASC 305 Cash and Cash Equivalent requires cash received and un-deposited checks received are recorded and reported as cash and cash equivalent and appropriately disclosed.

1.3.2.2 During the audit, we observed that a large number of Cash Receipts Booklets were missing from the series provided which makes it difficult to determine the beginning and ending series as well as the exact number of receipts that were issued to customers.

1.3.2.3 We further observed from samples of transactions in the cash ledger that cash receipts amounting to US\$492,941.17 could not be traced to the cash receipts booklets as Management did not provide the receipt booklets that contained the series issued to customers. **See Annexure 4 for details.**

**Risk**

- 1.3.2.4 The completeness and accuracy of the Cash and bank balances reported in the financial statements may not be assured. Therefore, the financial statements may be misstated.
- 1.3.2.5 Failure to establish a consistent pre-numbered sequence (with a single sequence) receipts system may undermine the accountability of funds received.

**Recommendation**

- 1.3.2.6 Management should account for transactions recorded in the cash ledger for which evidence was not provided during the audit.
- 1.3.2.7 Management should establish a receipt system that are prenumbered in a sequential order.
- 1.3.2.8 The details of the receipts should be adequately recorded in the cash ledger.
- 1.3.2.9 A monthly reconciliation should be performed between bills (invoices), bank statements and the cash ledgers. Discrepancies identify should be investigated and adjusted in a timely manner.
- 1.3.2.10 Evidence of reconciliation reports including bills (invoices), bank statements, receipts etc. should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.2.11 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.3.2.12 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.3.3 Cash Receipts Not Recorded in the Cash Ledger**

**Observation**

- 1.3.3.1 ASC 305 Cash and Cash Equivalent requires cash received and un-deposited checks received are recorded and reported as cash and cash equivalent and appropriately disclosed.
- 1.3.3.2 During the audit, we observed from samples of cash receipts that amount totaling US\$107,209.75 and L\$1,410,044.50 which Management deposited were not recorded in the respective bank cash ledgers. **See Annexure 5 details:**

**Risk**

- 1.3.3.3 The completeness and accuracy of balances in the respective cash and bank ledgers cannot be assured; therefore, the financial statements may be understated.

**Recommendation**

- 1.3.3.4 Management should investigate the discrepancies between the cash receipts, bank statements and cash ledger and adjust the financial statements.
- 1.3.3.5 A monthly reconciliation should be performed between bills (invoices), bank statements and the cash ledgers. Discrepancies identify should be investigated and adjusted in a timely manner.
- 1.3.3.6 Evidence of reconciliation reports including bills (invoices), bank statements, receipts etc. should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.3.7 *Management did not respond to our finding.*

**Auditor General's Position**

- 1.3.3.8 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.3.4 Un-deposited Funds Cash Ledger**

**Observation**

- 1.3.4.1 ASC 305 Cash and Cash Equivalent requires cash received and un-deposited checks received are recorded and reported as cash and cash equivalent and appropriately disclosed.
- 1.3.4.2 During the audit, we observed that cash receipts in the temporary cash ledger titled "Un-deposited Funds", was not subsequently recorded in the bank cash ledger thus resulting in an unusual positive cash balance. The total amount per the un-deposited cash ledger balance was US\$13,442.55 which was a balance brought forward from 2014/2015 fiscal year.

**Risk**

- 1.3.4.3 Maintaining cash in a temporary ledger without subsequently posting to the appropriate bank accounts upon reconciliation may lead to the misstatement of cash balance.

**Recommendation**

- 1.3.4.4 Management should perform a reconciliation of transactions recorded in the un-deposited fund ledger and post to the relevant cash ledger and subsequently adjust the financial statements.
- 1.3.4.5 Going forward Management should perform a periodic (daily) reconciliation between the transactions in the un-deposited fund ledger and the bank statements and post to the relevant cash ledger.

- 1.3.4.6 Long term transactions posted in the un-deposited ledger which has not been reconciled to the bank statements should be written off at the period end; such that, the closing balance of the un-deposited cash ledger is zero.

**Management’s Response**

- 1.3.4.7 *Management did not respond to our finding.*

**Auditor General’s Position**

- 1.3.4.8 In the absence of Management’s response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.3.5 Irregularities Associated with Foreign Currency Translation**

**Observation**

- 1.3.5.1 ASC 830 Foreign Currency Matters required the recognition of gain and loss on monetary transactions for goods and services denominated in another currency (foreign currency) other than the functional currency. It also requires the recognition of translation difference in translation reserve when a financial statement is presented in a presentation currency or when consolidating group financial statements.
- 1.3.5.2 During the audit, we observed that cash book label ‘LD’ were maintain with transactions from cash receipts and payments recorded by the conversion of the Liberian dollar to united states dollar **(US\$ functional currency)**.
- 1.3.5.3 We further observed that there were no source documents cataloguing the exchange rates used to convert the Liberian Dollar transactions to United States Dollars. As a result of the absence of these source documents, we could not recompute the reasonableness of exchange rates used in the conversion of foreign currency at posting date. **See table 8 below.**

**Table 8: Summary of Total Debits, Credits and Cash Balance of LD Cash Ledgers**

Ledger Title	Total Debits (Cash Receipts) US\$	Total Credits (Cash Payments) US\$	Account Balance as at June 30, 2016 US\$
Central Bank LD	98,364.71	0.00	98,364.71
LBDI LD Revenue	198,083.08	124,018.28	66,064.80
LBDI LD Expenditure	62,864.16	43,283.07	19,581.09
GT Bank LD Rev/Exp	611.42	0.00	611.42
<b>Total</b>	<b>359,923.37</b>	<b>167,301.35</b>	<b>184,622.02</b>

**Risk**

- 1.3.5.4 Failure to disclose the closing rate and the amount of exchange difference could undermine fair presentation.

1.3.5.5 If foreign currency transactions are material and translation rate(s) used is misstated; the financial statements may be misstated.

1.3.5.6 Tracing/reconciling converted balances to the original value of the transactions may be impaired in the absence of adequate source documents.

#### **Recommendation**

1.3.5.7 Management should ensure full and adequate disclosure is made for all foreign currency translations.

1.3.5.8 Source documents cataloguing details of foreign transactions including rates used should be adequately documented and filed to facilitate future review.

1.3.5.9 During the conversion of foreign currency transactions, Management should use spot rates during the immediate delivery of services and the closing rates for conversion of balance sheet/statement of financial position items at period end.

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

1.3.5.10 *Management did not respond to our findings.*

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

1.3.5.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.3.6 Total Cash Balance**

#### **Observation**

1.3.6.1 ASC 305 Cash and Cash Equivalent requires cash received and un-deposited checks received are recorded and reported as cash and cash equivalent and appropriately disclosed.

1.3.6.2 Section 36(1) of the PFM Act of 2009 states "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".

1.3.6.3 During the audit, we observed the amount reported in the financial statements for total cash balance exceeded the amount reported in the trial balance by US\$11,457.70. Further, we observed a significant variance between the financial statements and the notes amounting to US\$186,095.00. **See table 9 below.**

**Table 9: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements A US\$	Amount Reported in Notes B US\$	Amount Reported in the Ledger & Trial Balance C US\$	Variance D US\$ D= A – B	Variance E US\$ E= A – C
Cash & Cash Equivalents	283,753.00	469,848.00	295,210.70	-186,095.00	-11,457.70

**Risk**

1.3.6.4 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of cash balance in the financial statements.

1.3.6.5 The completeness and accuracy of cash and cash equivalent reported in the financial statements may be misstated.

**Recommendation**

1.3.6.6 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.

1.3.6.7 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.

1.3.6.8 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management’s Response**

1.3.6.9 *Management did not respond to our findings.*

**Auditor General’s Position**

1.3.6.10 In the absence of Management’s response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.3.7 Receivables**

**Observation**

1.3.7.1 ASC 310 “Receivables” provide guidance on accounting for receivables and receivables from credit sales, loans, or other transactions and may be in the form of loans, or other type of financial instruments.

- 1.3.7.2 Section 36(1) of the PFM Act of 2009 states “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”.
- 1.3.7.3 During the audit, we observed the amount reported in the financial statements for total receivables exceeded the amount reported in the trial balance by US\$2,197,465.28. Further, we observed a significant variance between the financial statements and the notes amounting to US\$921,769.00. **See table 10 below.**

**Table 10: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in the Financial Statements A US\$	Amount Reported in the Notes B US\$	Amount Reported in the Ledger & Trial Balance C US\$	Variance D US\$ D = A – B	Variance E US\$ E = A – C
Receivables	147,884.00	1,069,653.00	2,345,349.28	-921,769.00	-2,197,465.28

**Risk**

- 1.3.7.4 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of receivables balance in the financial statements.
- 1.3.7.5 The completeness and valuation of receivables reported in the financial statements may be misstated.

**Recommendation**

- 1.3.7.6 Management should account for difference between the financial statements, notes and the trial balance.
- 1.3.7.7 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.3.7.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.3.7.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management’s Response**

- 1.3.7.10 *Management did not respond to our findings.*



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

- 1.3.7.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.3.8 Inventories**

#### **Observation**

- 1.3.8.1 ASC 330 'Inventory' provide guidance on the initial measurement, subsequent measurement and disclosure of inventory in the financial statements.
- 1.3.8.2 During the audit, we observed that inventory balance of US\$810,615.00 could not be verified. There was no evidence to ascertain whether the inventory balance existed, was accurately valued, and pertained to the entity.

#### **Risk**

- 1.3.8.3 Inventory may be significantly misstated in the financial statements.
- 1.3.8.4 Inventories may be misappropriated leading to decline in operation activities.
- 1.3.8.5 The inventories could be obsolete and may not have been appropriately valued; hence, the financial statements may not be presented fairly.

#### **Recommendation**

- 1.3.8.6 Management should ensure that inventory records are adequately kept and accounted for in line with the above accounting standards.
- 1.3.8.7 Management should initiate an automated inventory management system to facilitate and ensure accurate records of goods received, goods issued, inventories balance such as; current stock balance, reordering level, stock-out level and etc.
- 1.3.8.8 Further, Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments, where applicable, are made to support the inventory balances in inventory management system.
- 1.3.8.9 All inventory records including records of stock takes, are adequately documented and filed for future review.

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

- 1.3.8.10 *Management did not respond to our finding.*

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

- 1.3.8.11 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.3.9 CCL Investment**

#### **Observation**

- 1.3.9.1 ASC 323 'Equity and Joint Ventures' requires that entity that has joint arrangement that leads to the creation of a legal entity with each party having joint control with representation on the Board and making unanimous decisions to account for their investment in line with the equity method of accounting.
- 1.3.9.2 During the audit, we observed that Management has a joint arrangement in the Cable Consortium Liberia (CCL) with a 20% shareholding, an entity created as a special purpose vehicle for public-private cooperation among multiple investor-owned Liberian licensed telecommunications network operators (i.e Orange, MTN), state owned Liberian licensed telecommunications network operators (i.e LIBTELCO) and the Government of Liberia.
- 1.3.9.3 We observed that Management has a carrying amount of US\$5,000,000.00 as an investment in its financial statements. We further observed that Management did not disclose in the notes to the financial statements on the nature of the investment in CCL, the initial recognition, subsequent measurement of the investment and the returned-on investment in the financial statements.
- 1.3.9.4 Additionally, we observed that Management should have made payments to the CCL towards its joint operational and maintenance budget for the 2015/2016 fiscal year in line with the joint venture agreement. However, we observed no evidence regarding whether such payments were made.
- 1.3.9.5 We also obtained no evidence of return on investment neither where such information disclosed in the financial statements.

#### **Risk**

- 1.3.9.6 Failure to fully disclose investment in the financial statements may impair fair presentation of the financial statements.
- 1.3.9.7 Investment may not be appropriately accounted for.

#### **Recommendation**

- 1.3.9.1 Management should disclose in the notes to the financial statements the nature of the investment in CCL, the initial recognition, subsequent measurement of the investment and the return-on investment in the financial statements.
- 1.3.9.2 Management should ensure that transactions posted and financial statements prepared by a junior staff are reviewed by senior personnel.
- 1.3.9.3 All source documents relative to investment in CCL should be adequately documented and filed to facilitate future review.

### Management's Response

1.3.9.4 Management did not respond to our findings.

### Auditor General's Position

1.3.9.5 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.3.10 Other Assets

#### Observation

1.3.10.1 ASC 340 "Other Assets and Deferred Cost" outline requirements and provide guidance for accounting for other assets.

1.3.10.2 Section 36(1) of the PFM Act of 2009 states "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".

1.3.10.3 During the audit, we observed the amount reported in the financial statements for total other assets exceeded the amount reported in the trial balance by US\$459,458.00. Further, we observed that the components of other assets were not disclosed in the notes to the financial statements. **See table 11 below.**

**Table 11: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$	Amount Reported in the Ledger & Trial Balance B US\$	Variance C= A – B US\$ C
Other Assets	459,458.00	Nil	0.00	459,458.00

#### Risk

1.3.10.4 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of other assets balance in the financial statements.

1.3.10.5 The completeness and accuracy of other assets reported in the financial statements may be misstated.

1.3.10.6 Fixed or current assets may be incorrectly classified as other assets in the financial statements.

### **Recommendation**

- 1.3.10.7 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of other assets in the financial statements.
- 1.3.10.8 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.3.10.9 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.3.10.10 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

### **Management's Response**

- 1.3.10.11 *Management did not respond to our findings.*

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

- 1.3.10.12 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.3.11 Intangibles Assets**

### **Observation**

- 1.3.11.1 ASC 350 'Intangibles' provide guidance on accounting for the initial recognition, subsequent measurement, and disclosure of intangibles in the financial statements with definite and infinite useful lives. The standard requires that an intangible asset with a finite useful live should reflect the period over which the intangible assets will contribute directly or indirectly to the cash flow of the entity. The standard also requires that intangible assets with indefinite useful live shall not be amortized
- 1.3.11.2 Section 36(1) of the PFM Act of 2009 states "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".
- 1.3.11.3 During the audit, we observed that Management reported a total intangible assets balance in the financial statements amounting to US\$2,033,333.00. We further observed that the initial value of the intangible assets amounting to US\$3,000,000.00 representing License Fee granted by the Liberia Telecommunications Authority to LIBTELCO. However, we did not obtain documentary evidence indicating the basis of determining the value and useful life of the license fee.

- 1.3.11.4 Additionally, we observed no evidence of disclosure of amortization of intangibles assets in the notes to the financial statements.
- 1.3.11.5 Further, we observed the amount reported in the financial statements for intangible assets exceeded the amount reported in the trial balance by US\$100,001.00. **See table 12 below.**

**Table 12: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$	Amount Reported in the Ledger & Trial Balance B US\$	Variance C= A – B US\$ C
Intangible Assets	2,033,333.00	Nil	1,933,332.00	100,001.00

**Risk**

- 1.3.11.6 The completeness, existence, and valuation of intangible assets reported in the financial statements may be misstated.
- 1.3.11.7 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of intangible assets balance in the financial statements.
- 1.3.11.8 Intangible assets may be incorrectly classified in the financial statements.

**Recommendation**

- 1.3.11.9 Management should ensure that intangible assets are appropriately disclosed in the financial statements and notes to the financial statements.
- 1.3.11.10 All documentary evidence detailing the initial value and useful life of intangible assets should be adequately documented and filed to facilitate future review.
- 1.3.11.11 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of intangible assets in the financial statements.
- 1.3.11.12 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.3.11.13 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.3.11.14 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

### Management's Response

1.3.11.15 *Management did not respond to our findings.*

### Auditor General's Position

1.3.11.16 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.3.12 Fixed Assets Valuation

### Observation

1.3.12.1 ASC 360 Property, Plant and Equipment require that assets are initially recognized at cost and subsequently measure at cost less accumulated depreciation and impairment losses.

1.3.12.2 ASC 360 also requires that a company recognize an impairment loss if, and only if, the carrying amount of a long-lived asset (asset group) is not recoverable from the sum of the undiscounted cash flows expected to result from the use and eventual disposal of the asset (the "Recoverable Amount") and if the carrying amount exceeds the asset's Fair Value. If it is determined that an asset is impaired, the amount of the impairment is equal to the difference between the carrying amount of the long-lived asset and the Fair Value of the asset.

1.3.12.3 ASC 360 further indicates that impairment testing should be completed whenever events or changes in circumstances indicate the asset's carrying value may not be recoverable, and provide accounting for the disposal of assets.

1.3.12.4 Section 36(1) of the PFM Act of 2009 states "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".

1.3.12.5 During the audit, we could not determine the valuation of assets amounting to US\$11,325,293.00 in the financial statements and recorded in the Assets Register due to assets dates of purchase were not seen in the register for most of the assets.

1.3.12.6 We further observed from physical field visits that the total of US\$674,210.12 for properties were seen damaged in four sites. These damaged properties had not been tested for impairment and the recognition of an impairment lost or written off. **See table 13A** below for properties damaged but still on the books of LIBTELCO. **See Annexure 6 for pictorial of damaged properties.**

**Table 13A: Property Damaged and their Carrying Value on the Books.**

County	Property	Carrying Value US\$	Condition and Auditor Comments
Montserrado	Careysburgy	33,599.96	Property is DAMAGED. Require Write Off
Montserrado	Wheing Town – Paynesville	370,461.60	Property is DAMAGED. Require Write Off
Montserrado	Fendell Campus	1,680.00	Property is DAMAGED. Require Write Off
Montserrado	VOA – Brewerville	268,468.56	Property is DAMAGED. Require Write Off
<b>Total</b>		<b>674,210.12</b>	

- 1.3.12.7 Further, we obtain no evidence of titles, deeds, vehicle registration and purchased documents to verify all these fixed assets.
- 1.3.12.8 Also, Management did not provide documents to verify transactions amounting to US\$743,488.32 posted to the opening balance equity ledger.
- 1.3.12.9 Additionally, we observed the amount reported in the financial statements for fixed assets exceeded the amount reported in the trial balance by US\$670,429.94. **See table 13B below.**

**Table 13B: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$ B	Amount Reported in the Ledger & Trial Balance US\$ B	Variance C= A – B US\$ C
Fixed Assets	11,325,293.00	11,325,423.00	10,654,863.06	670,429.94

### Risk

- 1.3.12.10 Fixed Assets Register may be misstated (Over/understated).
- 1.3.12.11 Assets may be damaged or impaired but their values are still on the books.
- 1.3.12.12 Failure to ensure that figures reported in the financial statements and the notes reconcile to figures in the ledgers and trial balance may lead to misstatement of fixed assets balance in the financial statements.
- 1.3.12.13 Fixed assets may be incorrectly classified in the financial statements.

### Recommendation

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

- 1.3.12.15 Management should ensure that the fixed assets register is updated to reflect the following: description, class, code, location, condition, date of acquisition, cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.3.12.16 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.
- 1.3.12.17 The Fixed Assets Register should be updated periodically to reflect all entity's assets.
- 1.3.12.18 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM.
- 1.3.12.19 A movement of Asset Form should be filled and authorized before assets are moved from location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.
- 1.3.12.20 Management should account for difference between the financial statements, notes and the trial balance and adequately disclosed the components of fixed assets in the financial statements.
- 1.3.12.21 Management should ensure that the amount reported in the financial statements reconcile to the amount in the ledger and trial balance. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.3.12.22 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.
- 1.3.12.23 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.3.12.24 Essential documents validating the ownership of fixed assets including title deeds, vehicle registration and purchase documents should be maintained to verify the ownership of fixed assets and to facilitate future review.

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

- 1.3.12.25 *Management did not respond to our findings.*

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

- 1.3.12.26 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.



## 1.4 Liabilities

### 1.4.1 Adjustments Payables

#### Observation

1.4.1.1 ASC 405 'Liabilities' requires that Liabilities are recognized when there is a present obligation of the entity to transfer an economic resource as a result of past events. The standard also provides guidance on the subsequent measurement of liabilities.

1.4.1.2 During the audit, we observed that there was no evidence to substantiate credit adjustments to the accounts payable ledger amounting to US\$321,047.41 at June 30, 2016 for various vendors. These adjustments corresponding debit entries were made to opening balance equity. **See table 14** below.

**Table 14: Amount of Payables Adjustments not substantiated**

Ledger Credited	Type	Date	Num	Name	Memo	Amount Debited	Amount Credited US\$
310100 Accounts Payables Current	General Journal	06/30/2016	81	Africa Motors	Opening Equity Balance	410000 Opening Balance Equity	18,325.00
310100 Accounts Payables Current	General Journal	06/30/2016	84	Dolphins	Opening Equity Balance	410000 Opening Balance Equity	56,000.00
310100 Accounts Payables Current	General Journal	06/30/2016	87	Evergreen / James Corp.	Opening Equity Balance	410000 Opening Balance Equity	62,500.00
310100 Accounts Payables Current	General Journal	06/30/2016	92	Huwei Technologies	Opening Equity Balance	410000 Opening Balance Equity	151,983.41
310100 Accounts Payables Current	General Journal	06/30/2016	93	Inprofile Daily	Opening Equity Balance	410000 Opening Balance Equity	400.00
310100 Accounts Payables Current	General Journal	06/30/2016	102	Naresh Brothers	Opening Equity Balance	410000 Opening Balance Equity	489.00
310100 Accounts Payables Current	General Journal	06/30/2016	104	Petro Trade 01	Opening Equity Balance	410000 Opening Balance Equity	31,350.00
<b>Total</b>							<b>321,047.41</b>

- 1.4.1.3 We further observed that other payables balance to Liberia Revenue Authority (LRA) of US\$243,967.32 were also not verified due to Management inability to submit vendor confirmation and provide statements for the reconciliation of these GST withholdings.

**Risk**

- 1.4.1.4 The completeness, existence, and valuation of other payables reported in the financial statements may be misstated.
- 1.4.1.5 Other payables may be incorrectly classified in the financial statements.

**Recommendation**

- 1.4.1.6 Management should ensure that other payables are appropriately disclosed in the financial statements and notes to the financial statements.
- 1.4.1.7 All documentary evidence detailing vendors, nature of payables, age of liabilities, payments towards liabilities and current payables balances should be adequately documented and filed to facilitate future review.
- 1.4.1.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.

**Management's Response**

- 1.4.1.9 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.4.1.10 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.4.2 Payable Balance**

**Observation**

- 1.4.2.1 ASC 405 'Liabilities' requires that financial liabilities should be recognized at their fair value in the statement of financial position.
- 1.4.2.2 Section 36(1) of the PFM Act of 2009 states "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".
- 1.4.2.3 We observed the amount reported in the notes for payables exceeded the amount reported in the financial statements by US\$1,935,806.00. **See table 15 below.**

**Table 15: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in the Notes US\$ B	Variance C= A – B US\$ C
Payables	2,535,366.00	4,471,172	1,935,806.00

**Risk**

1.4.2.4 Failure to ensure that figures reported in the financial statements reconcile to figures in the notes may lead to misstatement of payables balance in the financial statements.

1.4.2.5 Payables may be incorrectly classified in the financial statements.

**Recommendation**

1.4.2.6 Management should account for the difference between the financial statements and notes and adequately disclosed the components of payables in the financial statements.

1.4.2.7 Management should ensure that the amount reported in the financial statements and notes reconcile to the amount in the trial balance and ledger. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.

1.4.2.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the financial statements.

1.4.2.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

1.4.2.10 Management should perform monthly vendor reconciliation by requesting for vendor statements and comparing vendor statements to payables subsidiary ledgers. Differences identified should be investigated and adjusted in a timely manner.

**Management's Response**

1.4.2.11 *Management did not respond to our finding.*

**Auditor General's Position**

1.4.2.12 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.4.3 Other Liabilities

#### Observation

- 1.4.3.1 ASC 405 'Liabilities' requires that financial liabilities should be recognized at their fair value in the statement of financial position.
- 1.4.3.2 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."
- 1.4.3.3 During the audit, Management did not provide documentary evidence for Other Liabilities transactions amounting to US\$5,923,286.00 to substantiate the legitimacy of the transactions. Documents requested included contracts, vendor correspondences, legal and court correspondences, account statements from vendors, purchased documents etc. **See table 16** below.

**Table 16: Liabilities recognized without evidence**

Type	Date	Num	Name	Memo	Split	Amount Credited US\$
General Journal	06/30/2016	117	Alink	Opening Equity Balance	410000 · Opening Balance Equity	677,056.00
General Journal	06/30/2016	113	Lone Star Communication	Opening Equity Balance	410000 · Opening Balance Equity	406,896.00
General Journal	06/30/2016	116	ZTE	Opening Equity Balance	410000 · Opening Balance Equity	4,320,176.00
General Journal	06/30/2016	115	Vizada Network	Opening Equity Balance	410000 · Opening Balance Equity	186,114.54
General Journal	06/30/2016	80	NASSCORP	Opening Equity Balance	410000 · Opening Balance Equity	331,750.00
General Journal	06/30/2016	118	Other Accruals	Opening Equity Balance	410000 · Opening Balance Equity	1,293.60
<b>Total</b>						<b>5,923,286.14</b>

#### Risk

- 1.4.3.4 The completeness, existence, and valuation of Other Liabilities reported in the financial statements may be misstated.
- 1.4.3.5 Other Liabilities may be incorrectly valued in the financial statements.

### **Recommendation**

- 1.4.3.6 All documentary evidence including contracts, vendor correspondences, legal and court correspondences, account statements from vendors, purchased documents etc. should be adequately documented and filed to facilitate future review.
- 1.4.3.7 Management should ensure that transactions, along with supporting documents, posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the financial statements.
- 1.4.3.8 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.4.3.9 Management should perform monthly vendor reconciliation by requesting for vendor statements and comparing vendor statements to payables subsidiary ledgers. Differences identified should be investigated and adjusted in a timely manner.

### **Management's Response**

- 1.4.3.10 *Management did not respond to our findings.*

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

- 1.4.3.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.4.4 Borrowings**

### **Observation**

- 1.4.4.1 ASC 440 'Commitments' provide guidance on unconditional purchase obligations or take-or-pay contract.
- 1.4.4.2 Section 36(1) of the PFM Act of 2009 states "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".
- 1.4.4.3 During the audit, we observed that the amount reported in the financial statements for borrowings was lower than the amount reported in the trial balance and ledger by US\$332,316.54. **See table 17 below.**

**Table 17: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements US\$ A	Amount Reported in Notes US\$ B	Amount Reported in the Ledger & Trial Balance US\$	Variance C= A – B US\$ C
Borrowing	5,589,676.00	Nil	5,921,992.54	-332,316.54

**Risk**

1.4.4.4 Failure to ensure that figures reported in the financial statements reconcile to figures in the trial balance and ledgers may lead to misstatement of borrowings balance in the financial statements.

1.4.4.5 Borrowings may be incorrectly classified in the financial statements.

**Recommendation**

1.4.4.6 Management should account for the difference between the financial statements and trial balance and ledgers and adequately disclosed the components of borrowings in the financial statements.

1.4.4.7 Management should ensure that the amount reported in the financial statements and notes reconcile to the amount in the trial balance and ledger. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.

1.4.4.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the financial statements.

1.4.4.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

1.4.4.10 Management should perform monthly vendor reconciliation by requesting for vendor statements and comparing vendor statements to borrowing schedules. Differences identified should be investigated and adjusted in a timely manner.

**Management's Response**

1.4.4.11 *Management did not respond to our finding.*

**Auditor General's Position**

1.4.4.12 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.5 Retained Earnings

### 1.5.1 Retained Earnings Adjustments

#### Observation

- 1.5.1.1 ASC 605 'Equity' provide guidance on accounting for equity transactions including retained earnings, paid-in-capital etc.
- 1.5.1.2 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."
- 1.5.1.3 During the audit, we observed that Management posted several transactions to Retained Earnings Ledger without documentary evidence to substantiate the legitimacy of the transactions. **See table 18 below.**

**Table 18: Transactions posted to Retain Earnings Ledger**

Type	Date	Num	Memo	Split	Debit US\$	Credit US\$
General Journal	04/01 /2016		Reversal entry of Fiber payment made by US Embassy	100080 · GT Bank Revenue USD	1,070.00	
General Journal	06/06 /2016		Butt bill arrangement	12000 · Undeposited Funds	65,032.50	
General Journal	06/06 /2016		Reversal entry for the amount paid for fiber deployment	100070 · LBDI USD Expenditure		6,030.00
General Journal	06/19 /2016		Reversal Entry for prior period	100065 · LBDI LD Revenue	13,194.01	
General Journal	06/30 /2016	110	Opening Equity Balanc	410000 · Opening Balance Equity		414,002.93
General Journal	06/30 /2016	2359	Reversal of entries iro Intangible Asset wrongly amortizered for the period year 2012 to 2016	161010 · Amortization / IA	100,001.00	
<b>Total</b>					<b>179,297.51</b>	<b>420,032.93</b>

**Risk**

- 1.5.1.4 The completeness and valuation of Retained Earnings reported in the financial statements may be misstated.
- 1.5.1.5 Retained Earnings balance may be incorrectly valued in the financial statements.

**Recommendation**

- 1.5.1.6 All documentary evidence detailing the nature of the transactions should be adequately documented and filed to substantiate the legitimacy of transactions and facilitate future review.
- 1.5.1.7 Management should ensure that Retained Earnings are appropriately disclosed in the financial statements and notes to the financial statements.
- 1.5.1.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.

**Management’s Response**

- 1.5.1.9 *Management did not respond to our findings.*

**Auditor General’s Position**

- 1.5.1.10 In the absence of Management’s response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.5.2 Retained Earnings Balance**

**Observation**

- 1.5.2.1 ASC 605 ‘Equity’ provide guidance on accounting for equity transactions including retained earnings, paid-in-capital etc.
- 1.5.2.2 Section 36(1) of the PFM Act of 2009 states “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”.
- 1.5.2.3 During the audit, we observed that the amount reported in the financial statements for Retained Earnings exceeded the amount reported in the trial balance and ledger by US\$4,831,373.40. **See table 19 below.**

**Table 19: Inconsistency in reporting of financial information**

Financial Statement Element	Amount Reported in Financial Statements A US\$	Amount Reported in Notes US\$	Amount Reported in the Ledger & Trial Balance B US\$	Variance C= A – B C US\$
Retained Earnings	15,206,220.00	10,206,221.00	10,374,846.60	4,831,373.40



### **Risk**

- 1.5.2.4 Failure to ensure that figures reported in the financial statements reconcile to figures in the trial balance and ledgers may lead to misstatement of Retained Earnings balance in the financial statements.
- 1.5.2.5 Retained Earnings may be incorrectly classified in the financial statements.

### **Recommendation**

- 1.5.2.6 Management should account for the difference between the financial statements, trial balance and ledgers and adequately disclosed the components of Retained Earnings in the financial statements.
- 1.5.2.7 Management should ensure that the amount reported in the financial statements and notes reconcile to the amount in the trial balance and ledger. Management should reconcile the discrepancy observed above and any variances should be investigated and adjusted.
- 1.5.2.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the financial statements.
- 1.5.2.9 Going forward, an automated linkage should be created between the trial balance, the general ledger and the financial statements to facilitate completeness and accuracy of the financial statements.

### **Management's Response**

- 1.5.2.10 *Management did not respond to our findings.*

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

- 1.5.2.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.5.3 Opening Balance Equity Ledger**

### **Observation**

- 1.5.3.1 ASC 605 'Equity' provide guidance on accounting for equity transactions including retained earnings, paid-in-capital etc.
- 1.5.3.2 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."

1.5.3.3 During the audit, we observed that Management posted several transactions to Opening Balance Equity Ledger without documentary evidence to substantiate the legitimacy of the transactions. **See annexure 7 below.**

**Risk**

1.5.3.4 The completeness and valuation of Opening Balance Equity reported in the financial statements may be misstated.

1.5.3.5 Opening Balance Equity may be incorrectly valued in the financial statements.

**Recommendation**

1.5.3.6 All documentary evidence detailing the nature of the transactions should be adequately documented and filed to substantiate the legitimacy of transactions and facilitate future review.

1.5.3.7 Management should ensure that Opening Balance Equity Ledger is appropriately disclosed in the financial statements and notes to the financial statements.

1.5.3.8 Management should ensure transactions posted by a junior staff are reviewed and approved by senior personnel before the transactions appear in the general ledger.

**Management's Response**

1.5.3.9 *Management did not respond to our findings.*

**Auditor General's Position**

1.5.3.10 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.6 Other Financial Issues**

**1.6.1 Inappropriate Financial Reporting Requirements**

**Observation**

1.6.1.1 On July 1, 2013 the Government of Liberia mandated all Government Business Enterprises or State-Owned Enterprises (SOEs) to adopt International Financial Reporting Standards (IFRS) in the preparation and presentation of their financial statements.

1.6.1.2 During the audit, we observed that Management prepared its financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP) instead of the International Financial Reporting Standards (IFRS).

**Risk**

- 1.6.1.3 Management's failure to prepare its financial statements in accordance with IFRS undermines comparability, consolidation, and disclosure requirements which may result into the financial statement been materially misstated.

**Recommendation**

- 1.6.1.4 Management should transition to IFRS as its financial reporting framework.

**Management's Response**

- 1.6.1.5 *Management did not respond to our finding.*

**Auditor General's Position**

- 1.6.1.6 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.6.2 Internet Data**

**Observation**

- 1.6.2.1 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."

- 1.6.2.2 During the audit, we obtained no evidence of internet data records for the amount of data bought and resold to customers. We also could not ascertain the total cost of the data bought and any liabilities as well as the total revenue recognized and its related receivables.

- 1.6.2.3 Furthermore, we were not provided data on customers' data usage during the period 2015/2016.

**Risk**

- 1.6.2.4 Failure to maintain and provide records on internet data bought and sold may lead to misstatements of revenue, cash receipts, receivables, cost of sales and liabilities in the financial statements and misappropriation of public funds.

**Recommendation**

- 1.6.2.5 Management should account for internet data bought and sold as well as the related receivables and liabilities during the period under review.

- 1.6.2.6 Management should ensure that all records on internet data are maintained to substantiate revenue, expenses, assets and liabilities recognized on the basis of these internet data bought and sold.
- 1.6.2.7 Management should perform a periodic reconciliation to establish the profitability of the sales of data and such reconciliation should include cost of data bought, cost of data sold and gross margin earned for the period.
- 1.6.2.8 All relevant documentation for the sales of data should be adequately documented and filed to facilitate future review. These documents should also be made available for an audit in a timely manner.

#### Management's Response

- 1.6.2.9 *Management did not respond to our findings.*

#### Auditor General's Position

- 1.6.2.10 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.6.3 Payments to Cogent Without Adequate Supporting Documentation

#### Observation

- 1.6.3.1 Regulation P.9(2) of the PFM Act of 2009 states, "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers."
- 1.6.3.2 During the audit, we observed that payments amounting to Euro 32,963.00 to Cogent, a vendor that supplies internet service to LIBTELCO, were made without evidence of recorded liabilities for which those payments were settled upon. **See table 20** below for the bank transfers.

**Table 20: Bank Transfer to Cogent without evidence of being recognized in the financial statements**

No.	Vendor	Transfer Date	Amount Transferred Euro	Sending Bank	INVOICE #
1	COGENT communication PORTUGAL, LDA.	JUNE 8,2016	4,778.00	LBDI {001-213-22277-001}	SINVPT151790
2	COGENT communication	May 9,2016	4,778.00	LBDI (001-213-22277-001)	SINVPT151755
3	COGENT communication	April 14,2016	4,778.00	LBDI (001-213-22277-001)	SINVPT151720
4	COGENT	February	6,028.00	LBDI {001-213-	SINVPT151649/SINVPT1

No.	Vendor	Transfer Date	Amount Transferred Euro	Sending Bank	INVOICE #
	communication	8,2016		22277-001	50729
5	COGENT communication	January 11,2016	4,778.00	LBDI (001-213-22277-001)	SINVPT151609
6	COGENT communication	September 11,2015	7,823.00	LBDI	SINVPT151538
<b>Total</b>			<b>32,963.00</b>		

### Risk

- 1.6.3.3 Settlement of liabilities without adequate supporting documents may lead to misstatement of liabilities and misappropriation of public funds.

### Recommendation

- 1.6.3.4 Management should account for the amount paid without supporting documentation.
- 1.6.3.5 Management should ensure that for all future settlement of liabilities, the requisite supporting documents including contracts, vendor invoices, vendor statements, payment details, delivery notes, jobs completion certificate (where applicable) are obtained. These documents should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.6.3.6 *Management did not respond to our finding.*

### Auditor General's Position

- 1.6.3.7 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.6.4 Confirmations not returned

### Observation

- 1.6.4.1 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."
- 1.6.4.2 During the audit, we submitted the following lists of confirmation to be returned to the Office of the Auditor General in relation to the audit of LIBTELCO. The following confirmations were not returned during the audit. **See Table 21** below.

**Table 21: Confirmations not returned from Legal Counsels**

Confirmation Type	Individual/Entity
Legal Confirmation	Kemp and Associates
Legal Confirmation	Heritage and Associates

**Risk**

1.6.4.3 Potential litigation which may affect the going concern of the entity may not be disclosed.

**Recommendation**

1.6.4.4 Management should facilitate the dissemination and return of legal confirmation during the audit to provide information on past, pending and future litigations that may impair the going concern of the entity.

**Management's Response**

1.6.4.5 *Management did not respond to our finding.*

**Auditor General's Position**

1.6.4.6 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.6.5 Confirmations not Submitted by LIBTELCO**

**Observation**

1.6.5.1 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."

1.6.5.2 During the audit, we were unable to obtain confirmation on vendor's payables balances from a sample of accounts payables ledger balances as a result of Management refusal to facilitate the submission of the confirmations. **See table 22** below.

**Table 22: Confirmations not submitted**

Confirmation Type	Individual/Entity
Vendors	Sample of Vendors Selected
Insurance	Not Submitted to Insurance Entities with copies to GAC.
Leases	Orange
Leases	MTN Lonestar

- 1.6.5.3 Further, we were unable to perform alternatives procedures on the above payables due to the absence of the requisite documentation including contracts, vendors' invoices, vendors' statements etc.

**Risk**

- 1.6.5.4 The completeness, existence and valuation of liabilities may be misstated. This may lead to misappropriation of the entity's fund.

**Recommendation**

- 1.6.5.5 Management should account for liabilities for which confirmation were not sent and supporting documents were not provided.
- 1.6.5.6 Going forward, Management should facilitate the dissemination and return of vendors' confirmation for audit purposes.

**Management's Response**

- 1.6.5.7 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.6.5.8 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.6.6 Inconsistency in Invoices Issued**

**Observation**

- 1.6.6.1 Section 36(1) of the PFM Act of 2009 states "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".
- 1.6.6.2 During the audit, we observed that several invoices were not serially numbered and could not be uniquely identified. See **Annexure 8** for pictures of sample of the two different invoices issued by Management to customers during the same period under audit 2015/2016.

**Risk**

- 1.6.6.3 The completeness of revenue may not be assured; therefore, the financial statements may be misstated. This may lead to misappropriation of the entity's fund.
- 1.6.6.4 Inconsistencies in invoices forms and numbering may impair revenue reconciliation and facilitate errors and fraud.

### Recommendation

- 1.6.6.5 Management should provide justification for the inconsistencies in the form and numbering of invoices.
- 1.6.6.6 Going forward, Management should ensure that invoices are uniquely identified and serially numbered.

### Management's Response

- 1.6.6.7 *Management did not respond to our finding.*

### Auditor General's Position

- 1.6.6.8 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.7 Control Issues

### 1.7.1 Vehicle Ownership Program

#### Observation

- 1.7.1.1 Regulation P (9) of the Public Financial Management Act of 2009 states "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".
- 1.7.1.2 During the audit, we observed from sample of transactions that Management made payments amounting to US\$9,050.00 to some staffs for vehicle ownership expenses without evidence of a policy or board resolution authorizing such program. **See table 23 below for details:**

**Table 23: Payment without Policy Documents**

No.	Date	Vendor Name	Transaction Description	Voucher Number	Amount Paid and Expense US\$
	6/7/2016	Boakai Mamey	Being payment for vehicle ownership program for the period of June 2016	9369	275.00
	6/3/2016	Alphonso Sharpe	Being payment for vehicle ownership program for the period of June 2016	9364	1,000.00
	6/3/2016	Linus Gedeo	Being payment for vehicle ownership program for the period of June 2016	9375	500.00
	6/3/2016	Tiedi Bropleh	Being payment for	9365	1,000.00



No.	Date	Vendor Name	Transaction Description	Voucher Number	Amount Paid and Expense US\$
			vehicle ownership program for the period of June 2016		
	6/3/2016	Julian Benson	Being payment for vehicle ownership program for the period of June 2016	9362	2,500.00
	6/3/2016	Sirleaf Tyler	Being payment for vehicle ownership program for the period of June 2016	9363	2,500.00
	6/3/2016	Ralph N. Sonkarlay	Being payment for vehicle ownership program for the period of June 2016	9368	700.00
	6/3/2016	Munah Harris	Being payment for vehicle ownership program for the period of June 2016	9372	200.00
	6/7/2016	Boakai Mamey	Being payment for vehicle ownership program for the period of May 2016	9420	275.00
	6/3/2016	Francis Varney	Being payment for vehicle ownership program	8300	100.00
<b>Total</b>					<b>9,050.00</b>

### Risk

- 1.7.1.3 The disbursement of the entity's fund to individual staff members without policy may lead to discretionary payments and misappropriation of funds.

### Recommendation

- 1.7.1.4 Management should provide justification for payments made without an approved policy or Board Resolution.
- 1.7.1.5 Going forward Management should develop, approve and operationalize a policy for payment for vehicle ownership or obtain board resolution to substantiate the transaction.

### Management's Response

- 1.7.1.6 *Management did not respond to our findings.*

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

1.7.1.7 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.7.2 Strategic and Operational Plan**

#### **Observation**

1.7.2.1 Regulation D.19 (1)(b) of the PFM Act of 2009 entitled 'Expenditure Estimates' states that a head of a government entity shall "prepare a strategic plan which shall include a definition of the Government agency's mission, goals, objectives, outputs and activities;

1.7.2.2 The Organization for Economic Co-operation and Development (OECD) corporate governance principles requires that a board is set up to ensure that companies are effectively managed for the benefits of its shareholders. It also requires that a strategic direction of the entity is employ through an approved strategic plan, annual operational plan based on strategic goals, and a budget that quantifies the annual operational objectives to achieve the strategic goals.

1.7.2.3 During the audit, we observed that Management did not have a Strategic & Operational Plan and a Budget approved by the Board.

#### **Risk**

1.7.2.4 Failure to ensure that a strategic plan is developed, approved and operationalized may impair the achievement of the organization objectives.

1.7.2.5 Failure to adopt an approved budget may lead to discretionary expenditure and may impair Management financial and operational performance.

#### **Recommendation**

1.7.2.6 Management should develop, facilitate approval through the Board and operationalize a strategic & annual operational plan and budget.

1.7.2.7 Management should facilitate periodic assessment on the performance of the approved strategic & operational plan and budget of the entity.

1.7.2.8 Evidence of approved strategic & operational plan and budget including records of periodic performance assessment should be adequately documented and filed to facilitate future review.

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

1.7.2.9 *Management did not respond to our finding.*

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

- 1.7.2.10 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.7.3 Internal Audit**

#### **Observation**

- 1.7.3.1 Regulation J.3 of the PFM Act of 2009 states "There shall be established in each government agency or government organization an internal audit unit which shall constitute a part of that institution". (2) The Internal Audit unit shall be headed by a Director.
- 1.7.3.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) monitoring component requires that an entity put in mechanism for the monitoring of the effectiveness of controls.
- 1.7.3.3 During the audit, we observed that the Internal Audit Unit controlled and operated by Internal Audit Agency staffs did not provide evidence of audit plan, audit working papers for audit performed during the period, audit reports, and risk assessment reports.

#### **Risk**

- 1.7.3.4 Failure to conduct and report on internal audit activities may undermine the implementation of systems and controls and lead to untimely detection and correction of weaknesses which may exist in the controls system of the entity.
- 1.7.3.5 Risks that may impair the achievement of the entity objectives, as well as controls to ensure that risks are mitigated to an acceptable level, may not be identified in a timely manner.

#### **Recommendation**

- 1.7.3.6 Management should ensure that the Internal Audit Unit is made fully functional evidence by the conduct of audits and issuance of reports. Periodic Internal Audit Reports should be adequately documented and filed to facilitate future review.

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

- 1.7.3.7 *Management did not respond to our finding.*

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

- 1.7.3.8 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

#### 1.7.4 Bank Reconciliations

##### Observation

1.7.4.1 Regulation R.3 (6) of the PFM Act of 2009 states that "the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or reference to the date and number thereof."

1.7.4.2 During the audit, we observed that Management did not perform monthly bank reconciliations for all of its bank accounts.

##### Risk

1.7.4.3 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 cash collected.

##### Recommendation

1.7.4.4 Management should ensure that monthly bank reconciliation reports are prepared for each account.

1.7.4.5 Monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.

##### Management's Response

1.7.4.6 *Management did not respond to our finding.*

##### Auditor General's Position

1.7.4.7 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

#### 1.7.5 Irregularities Associated with Fixed Assets Register

##### Observation

1.7.5.1 Regulation V.4 (1-2) of the PFM Act of 2009 provides that furniture, and equipment issued for Government quarters or offices or vehicle and other fixed asset shall be brought on a master inventory of the Government Agency. The master inventory shall record under each category of item: (a) The date and other details of the voucher or other document on which the items were received or issued; (b) their serial numbers where appropriate; and (c) their distribution to individual locations and the total quantity held.

1.7.5.2 During the audit, we observed the following irregularities associated with the fixed assets management system:

- The dates of purchase were not included the fixed assets register
- Assets were not coded
- Serial numbers for equipment were not included in the fixed assets register

- The location of assets was not included in the fixed assets register
- There was no evidence of periodic physical verification of fixed assets by management
- There was no evidence of the authorisation of assets movement
- There was no evidence of the movement of assets form
- There was no evidence of display log of assets
- No dedicated fixed assets accountant

### **Risk**

- 1.7.5.3 Fixed Assets balance in the financial statements may be misstated (Over/understated).
- 1.7.5.4 Assets may be damaged or impaired but their values are still on the books.
- 1.7.5.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.7.5.6 Failure to ensure that fixed assets register is adequately maintained, updated for new assets and movement of assets, review and approved by separate persons and filed timely could lead to theft, misuse of assets and the misstatement of assets balance in the financial statements.

### **Recommendation**

- 1.7.5.7 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the entity.
- 1.7.5.8 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.
- 1.7.5.9 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.
- 1.7.5.10 The Fixed Assets Register should be updated periodically to reflect all entity's assets within a particular vicinity should be clearly displayed as required by the PFM.
- 1.7.5.11 A movement of Asset Form should be filled and authorized before assets are moved from location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.
- 1.7.5.12 Management should initiate a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed assets verification exercise. Discrepancies in coding identified during verification should be updated in a timely manner.

### **Management's Response**

1.7.5.13 *Management did not respond to our findings.*

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

1.7.5.14 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.7.6 Board Effectiveness and By-laws**

### **Observation**

1.7.6.1 Section M12 of the Public Financial Management Laws of Liberia states (1) The Board of Directors of each enterprise governed by this Act shall ensure the efficient management of the financial resources of the enterprise including the collection and receipt of moneys due to that enterprise or institution.

1.7.6.2 The Organization for Economic Co-operation and Development (OECD) corporate governance principles requires that a board is set up to ensure that companies are effectively managed for the benefits of its shareholders. The OECD principles provide for leadership, effectiveness, accountability, remuneration, and relationship with shareholders as guidance for the operation of a board.

1.7.6.3 It was observed during the audit, that Board minutes of meetings were not signed by members in attendance nor was it signed by the Chairman and Secretary of the Board. Also, we noted that the Board did not have By-laws to govern its function.

### **Risk**

1.7.6.4 The absence of signed/approved Board meeting minutes may impair authenticity of Board meeting minutes.

1.7.6.5 Failure to develop, approve, and operationalize a by-laws to guide the activities of the Board may lead to arbitrary decisions that may undermine the entity from achieving its objectives. Institutional policies and procedures may be overridden, which may adversely impact the entity.

### **Recommendation**

1.7.6.6 Management should liaise with the relevant stakeholders to ensure that Board meeting minutes are signed, adequately documented and filed to facilitate future review.

1.7.6.7 Board by-laws should be developed, approved and operationalized to facilitate effective and efficient operation of the Board. Evidence of approved by-laws should be adequately documented and filed to facilitate future review.

### **Management's Response**

1.7.6.8 *Management did not respond to our finding.*

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

- 1.7.6.9 In the absence of Management's response, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.7.7 Audit Committee and other Committees of the Board**

#### **Observation**

- 1.7.7.1 Regulation K-10 of the PFM regulations of 2009, states "a head of government agency or organization shall in consultation with the Internal Audit Agency to establish and maintain an Audit committee for the government Agency or organization for which he/she is responsible".
- 1.7.7.2 Section M12 of the Public Financial Management Laws of Liberia states (1) The Board of Directors of each enterprise governed by this Act shall ensure the efficient management of the financial resources of the enterprise including the collection and receipt of moneys due to that enterprise or institution.
- 1.7.7.3 The Organization for Economic Co-operation and Development (OECD) corporate governance principles requires that a board is set up to ensure that companies are effectively managed for the benefits of its shareholders. The OECD principles provide for leadership, effectiveness, accountability, remuneration, and relationship with shareholders as guidance for the operation of a board.
- 1.7.7.4 During the audit, we observed that the Audit Committee was non-functional evidence by the absence of meeting minutes and periodic reports. The compositions of the Audit Committee as well as other committees were not made available for our review.

#### **Risk**

- 1.7.7.5 Failure by Management to establish a functional Audit Committee may prevent Management from taking timely corrective action on deficiencies identified by the Internal Audit Unit and the recommendations of the General Auditing Commission.
- 1.7.7.6 The absence of a functional audit committee may impair the independence of the internal audit reporting channel, appointment of external auditors, and the coordination of audit related activities.

#### **Recommendation**

- 1.7.7.7 Management should liaise with the relevant stakeholders to formulate a functional audit committee evidence by documentation of meeting minutes and periodic reports.
- 1.7.7.8 Minutes of meetings, periodic reports and strategic activities of the audit committee should be clearly documented and filed to facilitate future review.

- 1.7.7.9 The LIBTELCO Board should ensure that the audit committee is set up with independent non-executive members that have recent and relevant financial, audit and assurance experience.

**Management's Response**

- 1.7.7.10 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.7.7.11 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.7.8 Inventory Management**

**Observation**

- 1.7.8.1 Section 36(1) of the PFM Act of 2009 states "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".
- 1.7.8.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) control activities component required that control over inventory should ensure inventories are protected from theft, cost controlled, shortage is minimized, and that inventory are not wasted etc. to mitigate the risks of theft, loss, and improper management.
- 1.7.8.3 During the audit, we observed that Management did not have an inventory listing for inventory balance reported as at June 30, 2016.
- 1.7.8.4 We further observed that Management did not perform periodic inventory count, as well as no evidence of movement of inventory bought, stored, and released. Also, we further observed that the asset Management team had no records on inventory seen in the warehouse and system in place for inventory control. **See Annexure 9 for details.**

**Risk**

- 1.7.8.5 Failure to effectively record and monitor inventory receipt, storage, and distribution may lead to inventory being misappropriated resulting into loss.
- 1.7.8.6 Inventories could be obsolete and may not have been appropriately valued; hence, the financial statements may not be presented fairly.
- 1.7.8.7 Inventory/supply may be misappropriated leading to decline in operational activities.



- 1.7.8.8 Failure to ensure that inventories are managed effectively with records maintained and inventory count performed at least annually may lead to theft of inventory and misstatement of inventory balance in the financial statements.

**Recommendation**

- 1.7.8.9 Management should initiate an automated inventory management system to facilitate and ensure accurate records of goods received, goods issued, inventories balance such as; current stock balance, reordering level, stock-out level and etc.
- 1.7.8.10 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments are made where applicable.
- 1.7.8.11 Management should ensure that all inventory records including records of stock takes, are adequately documented and filed to facilitate future review.

**Management's Response**

- 1.7.8.12 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.7.8.13 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.7.9 Irregularities Associated with Purchases Management System**

**Observation**

- 1.7.9.1 Regulation A.3(1) of the PFM Act of 2009 states that, " Any public officer 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."
- 1.7.9.2 During the audit, we observed the following irregularities associated with the Purchase Management System
- No evidence of purchase requisition from requesting department.
  - No evidence of purchase order, purchase invoice, and other related documents from the procurement unit.
  - No evidence of goods received notes and completion of service certificate from the asset management department
  - No evidence of review of purchase documentation by internal auditors.

### **Risk**

- 1.7.9.3 Payments may be made for goods not/under received.
- 1.7.9.4 The quality of goods received may not be consistent with predetermined, approved and contracted specification.
- 1.7.9.5 The completeness, existence and accuracy of inventories may be misstated.

### **Recommendation**

- 1.7.9.6 Management should institute the following processes to enhance the effectiveness of the purchase management system:
- Approve purchase requisition should emanate from departments requesting purchase of goods and services.
  - The procurement department should facilitate the compilation of all procurement related documents including, bids, contracts, invoices etc. The purchase order should be subsequently prepared and attached to the documents listed above for review and approval.
  - A reconciliation should be performed between goods and services order to goods and services received. A good received note for the delivery of goods and a completion of service certificate for service rendered should be completed and authorised by three or more personnel including representatives from procurement, asset management and internal audit etc.
  - Internal audit department should conduct a comprehensive review of all purchase activities before payments to vendors are made.

### **Management's Response**

- 1.7.9.7 *Management did not respond to our findings.*

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

- 1.7.9.8 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.8 Compliance Issues**

### **1.8.1 Non-Compliance to Public Procurement Laws**

#### **Observation**

- 1.8.1.1 Part I 'Preliminary Objective of the Law' "(a) Maximize economy and efficiency in procurement and concession and obtain best value for public expenditure.

1.8.1.2 This Act shall apply to the procurement of goods, works and services, financed in whole or in part from public funds including the disposal of government stores, plant and equipment and all Concessions as defined under this Act.

(2) Notwithstanding the generality of subsection (1) of this Section, this Act shall apply

(e) All public enterprises which are wholly owned by the State or in which the State has a majority interest;

1.8.1.3 During the audit, we observed the following irregularities associated with the procurement system:

- There was not functional procurement committee evidence by the absence of meeting minutes and periodic reports.
- There was no evidence of annual procurement plan approved by PPCC.
- There was no evidence of periodic (quarterly and annual) procurement activities report submitted to PPCC.
- No evidence of application of the requisite methods (Request for quotation, national competitive bidding, sole sourcing, restricted bidding, international competitive bidding, etc.) where applicable.

#### **Risk**

1.8.1.4 In the absence of a functional procurement committee, the entity's procurement processes may be discretionary.

1.8.1.5 The lack of an approved Procurement Plan may lead to discretionary expenditure, waste and undermine value for money.

1.8.1.6 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.

1.8.1.7 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.

1.8.1.8 The non-application of the requisite procurement method may undermine the achievement of value for money and facilitate fraudulent procurement activities.

#### **Recommendation**

1.8.1.9 Management should ensure that it complies with relevant provisions of PPC Act of 2005 as amended and restated in 2010.

- 1.8.1.10 Management should establish a functional procurement committee evidenced by the documentation of meeting minutes and periodic reports.
- 1.8.1.11 Management should facilitate the approval of annual procurement plan by PPCC. All unplanned procurement activities should be subsequently submitted to PPCC for approval before execution.
- 1.8.1.12 Management should facilitate the preparation and submission of quarterly procurement reports to the PPCC as required by the PPC Act of 2005 as amended and restated in 2010.
- 1.8.1.13 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.

**Management's Response**

- 1.8.1.14 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.8.1.15 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.8.2 LTA Non-Response to Confirmation on LIBTELCO**

**Observation**

- 1.8.2.1 Part VIII 'Interconnection' Section 39 'Publication of interconnection agreements' of the LTA Act of 2007 states
  - (2) Subject to Section 39 (3), the LTA shall place a copy of all interconnection agreements filed in accordance with Section 39 (1) on its official web site, and shall make copies of filed interconnection agreements available on request by and service provider seeking interconnection.
- 1.8.2.2 Part IV Licensed Service Providers (12) Telecommunication Licensees and National Operators (5) A National Operator shall not be granted any competitive advantage over other service providers; and except as otherwise specifically provided in this Act, a National Operator shall subscribe to and be governed by all provisions of this Act and all regulations, rules and orders promulgated by the LTA.
- 1.8.2.3 During the audit, we observed that the Liberia Telecommunications Authority did not provide confirmations requested by the GAC on the following for the LIBTELCO nor did the LIBTELCO Management provide these interconnection agreements as per the Telecommunications Act of 2007:
  - 1. List of all Towers Sites of the LIBTELCO

2. Lists of approved interconnections offer to other service providers from LIBTELCO
3. Copy of interconnection agreement with other service providers of LIBTELCO filed with the LTA.
4. Regulations, rules or orders issued by LTA on interconnection pricing, costing and cost separation

**Risk**

- 1.8.2.4 The completeness and accuracy of revenue from interconnection and co-location may be misstated in the financial statements.
- 1.8.2.5 The valuation of assets may be misstated in the financial statements.

**Recommendation**

- 1.8.2.6 Management should provide the documents for which confirmation was requested.
- 1.8.2.7 Going forward, Management should facilitate the dissemination and return of confirmation for audit purposes.

**Management's Response**

- 1.8.2.8 *Management did not respond to our findings.*

**Auditor General's Position**

- 1.8.2.9 In the absence of Management's response, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## ANNEXURES

### Annexure 1: Invoices not Recognized as Receivables and Revenue

Entity Name	Invoice Date	Invoice #	Invoice Amounts US\$
Ministry of Health	5/10/2016	SAJ/2016/0780	76,410.00
NASS Global	8/26/2015	32940	34,876.65
NASS Global	7/28/2015	32877	34,876.00
Ministry of National Defense	June 30,2016		31,188.00
NASS Global	9/29/2015	33071	29,446.84
NASS Global	2/3/2016	SAJ/2016/0468	25,324.28
NASS Global	12/29/2015	SAJ/2015/0323	25,324.28
NASS Global	12/3/2015	SAJ/2015/0243	25,324.28
NASS Global	11/3/2015	SAJ/2015/0174	25,324.28
NASS Global	3/31/2016	SAJ/2016/0629	25,324.00
NASS Global	3/4/2016	SAJ/2016/0576	21,924.28
Ministry of National Defense	March 3,2016	SAJ/2016/0554	12,091.00
Post & Telecom	9/28/2015	33026	11,416.50
Post & Telecom	3/16/2016	33102	11,250.00
Latter Days Saints Church	12/9/2015	SAJ/2015/0279	10,800.00
Liberia Revenue Authority	6/6/2016	SAJ/2016/0847	10,050.00
Liberia Revenue Authority	5/4/2016	SAJ/2016/0708	10,050.00
Liberia Revenue Authority	4/13/2016	SAJ/2016/0678	10,050.00
Liberia Revenue Authority	3/2/2016	SAJ/2016/0511	10,050.00
Liberia Revenue Authority	2/2/2016	SAJ/2016/0434	10,050.00
Liberia Revenue Authority	1/11/2016	SAJ/2016/0364	10,050.00
Liberia Revenue Authority	1/11/2016	SAJ/2016/0363	10,050.00
Ministry of National Defense	March 3,2016		9,672.00
Pricewater House Coopers	Oct.30,2015	33083	8,720.00
Pricewater House Coopers	Oct.30,2015	33083	8,720.00
Governance Commission	Feb.3,2016	SAJ/2016/0461	8,246.00
Liberia Revenue Authority	12/3/2015	33090	8,050.00
Liberia Revenue Authority	12/7/2015	SAJ/2016/0273	8,050.00
Ministry of National Defense	May 13,2016	SAJ/2016/0797	7,254.00
GT-Bank Lib.	Oct.29,2015	SAJ/2015/0124	6,580.00
GT-Bank Lib.	July 28,2015	32840	6,580.00
GT-Bank Lib.	Aug.14,2015	32921	6,580.00
Ministry of Gender & Dev.	May 13,2016	SAJ/2016/0785	6,580.00
Pricewater House Coopers	June 20,2016	SAJ/2016/0904	6,066.00
Pricewater House Coopers	June 2,2016	SAJ/2016/0811	6,066.00
Pricewater House Coopers	Feb.25,2016	SAJ/2015/0283	5,584.00
Pricewater House Coopers	April 1,2016	SAJ/2016/0646	5,564.00
Pricewater House Coopers	March 3,2016	SAJ/2016/0548	5,564.00
Pricewater House Coopers	Jan.21,2016	SAJ/2016/0388	5,564.00
Ministry of Foreign Affairs	Nov.27,2015	SAJ/2015/0207	5,464.00

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<b>Entity Name</b>	<b>Invoice Date</b>	<b>Invoice #</b>	<b>Invoice Amounts US\$</b>
Center for National Documents	4/15/2016	SAJ/2016/0679	5,400.00
Center for National Documents	12/10/2015	SAJ/2016/0282	4,600.00
LPRC	June 26,2016	32790	4,333.00
LPRC	March 31,2016	SAJ/2016/0624	4,082.00
LPRC	March 2,2016	SAJ/2016/0522	4,082.00
LPRC	Feb.2,2016	SAJ/2016/0420	4,082.00
LPRC	Dec.30,2015	SAJ/2015/0330	4,082.00
LPRC	Dec.2,2015	SAJ/2015/0229	4,082.00
Minstry of Health	8/26/2015	32926	4,050.00
Minstry of Health	9/28/2015	33023	4,050.00
Minstry of Health	10/30/2015	SAJ/2015/0125	4,050.00
Minstry of Health	11/27/2015	SAJ/2015/0208	4,050.00
Minstry of Health	7/28/2015	32881	4,050.00
Minstry of Health	No date		4,050.00
LPRC	June 6,2016	SAJ/2016/0850	4,025.00
LPRC	May 4,2016	SAJ/2016/0712	4,025.00
LPRC	Nov.26,2015	SAJ/2015/0184	3,878.00
LPRC	Sept.28,2015	33018	3,878.00
Post & Telecom	2/1/2016	SAJ/2016/0429	3,805.50
Post & Telecom	1/1/2016	SAJ/2016/0379	3,805.50
Post & Telecom	12/4/2015	SAJ/2016/0265	3,805.50
LPRC	Aug.26,2015	32960	3,798.00
LPRC	Aug.20,2015	32920	3,798.00
Governance Commission	Feb.2,2016	SAJ/2016/0460	3,693.00
GT-Bank Lib.	Nov.3,2015	SAJ/2015/0171	3,531.00
GT-Bank Lib.	Dec.10,2015	SAJ/2015/0283	3,531.00
GT-Bank Lib.	Sept.23,2015	32997	3,531.00
RLJ Keneja Resorts	3/3/2016	SAJ/2016/0547	3,210.00
RLJ Keneja Resorts	2/2/2016	SAJ/2016/0435	3,210.00
RLJ Keneja Resorts	Jan.8,2016	SAJ/2016/0316	3,210.00
RLJ Keneja Resorts	Dec.3,2015	SAJ/2016/0234	3,210.00
RLJ Keneja Resorts	Oct.31.2015	SAJ/2015/0147	3,210.00
RLJ Keneja Resorts	Oct.5.2015	SAJ/2015/0046	3,210.00
RLJ Keneja Resorts	Sept.29,2015	33055	3,210.00
RLJ Keneja Resorts	Aug.27,2015	32962	3,210.00
RLJ Keneja Resorts	July 28,2015	32885	3,210.00
First International Bank	10/29/2015	SAJ/2015/0110	3,200.00
First International Bank	9/28/2015	33020	3,200.00
First International Bank	8/26/2015	32934	3,200.00
First International Bank	7/28/2015	32844	3,200.00
First International Bank	6/26/2015	32763	3,200.00
Ministry of Gender & Dev.	Jan.8,2016	SAJ/2015/0186	2,781.00



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<b>Entity Name</b>	<b>Invoice Date</b>	<b>Invoice #</b>	<b>Invoice Amounts US\$</b>
Ministry of Foreign Affairs	June 17,2016	SAJ/2016/0581	2,732.00
Ministry of Foreign Affairs	May 13,2016	SAJ/2016/0783	2,732.00
Ministry of Foreign Affairs	May 6,2016	SAJ/2016/0771	2,732.00
First International Bank	5/3/2016	SAJ/2016/0694	2,700.00
First International Bank	3/31/2016	SAJ/2016/0619	2,700.00
First International Bank	3/2/2016	SAJ/2016/0505	2,700.00
First International Bank	2/1/2016	SAJ/2016/0402	2,700.00
First International Bank	12/29/2015	SAJ/2015/0314	2,700.00
First International Bank	12/3/2015	SAJ/2015/0245	2,700.00
Plan Liberia	4/1/2016	SAJ/2016/0650	2,550.00
Plan Liberia	3/10/2016	SAJ/2016/0582	2,550.00
Plan Liberia	2/2/2016	SAJ/2016/0439	2,550.00
Plan Liberia	12/29/2015	SAJ/2016/0321	2,550.00
Plan Liberia	12/1/2015	SAJ/2016/0224	2,550.00
Ministry of National Defense	Sept.28,2015	33025	2,418.00
Ministry of National Defense	Oct.3,2015	SAJ/2015/0037	2,418.00
Ministry of National Defense	Sept.28,2015	33025	2,418.00
Ministry of National Defense	Aug.26,2015	32928	2,418.00
Ministry of National Defense	July 28,2015	32857	2,418.00
UMU	Oct.21,2015	33072	2,407.00
Center for National Documents	3/2/2016	SAJ/2016/0514	2,300.00
Center for National Documents	7/28/2015	32848	2,300.00
Sight Savers	March 3,2016	SAJ/2016/0552	2,271.00
Ministry of Gender & Dev.	March 2,2016	SAJ/2016/0528	2,193.00
Ministry of Gender & Dev.	Feb.1,2016	SAJ/2016/0431	2,193.00
Ministry of Gender & Dev.	Oct.3,2015	SAJ/2015/0034	2,193.00
Ministry of Gender & Dev.	Sept.29,2015	33054	2,193.00
Ministry of Gender & Dev.	Aug.26,2015	32945	2,193.00
Ministry of Gender & Dev.	Sept.29,2015	33054	2,193.00
Ministry of Gender & Dev.	Aug.26,2015	32945	2,193.00
Ministry of Gender & Dev.	July 28,2015	32880	2,193.00
Post & Telecom	6/26/2016	32779	2,055.50
Post & Telecom	10/5/2015	SAJ/2016/0047	2,055.50
Post & Telecom	9/26/2015	32929	2,055.50
Post & Telecom	7/28/2015	32865	2,055.50
Plan Liberia	9/29/2015	33033	2,050.00
Plan Liberia	10/16/2015	33069	2,050.00
Plan Liberia	8/26/2015	32957	2,050.00
Plan Liberia	7/21/2015	32838	2,050.00
Plan Liberia	6/26/2015	32806	2,050.00
Ministry of Commerce	12/3/2015	SAJ/2015/0236	2,050.00
Ministry of Commerce	10/30/2015	SAJ/2015/0130	2,050.00
Ministry of Commerce	10/5/2015	SAJ/2015/0041	2,050.00





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<b>Entity Name</b>	<b>Invoice Date</b>	<b>Invoice #</b>	<b>Invoice Amounts US\$</b>
Ministry of Commerce	9/28/2015	33030	2,050.00
Ministry of Commerce	8/26/2015	32950	2,050.00
Ministry of Commerce	7/28/2015	32888	2,050.00
Ghassa Basma	12/18/2015	SAJ/2015/0294	1,860.00
Grow Liberia	10/29/2015	SAJ/2016/0113	1,750.00
Grow Liberia	9/28/2015	33012	1,750.00
Grow Liberia	7/28/2015	32841	1,750.00
Grow Liberia	6/2/2016	SAJ/2016/0832	1,650.00
Grow Liberia	5/3/2016	SAJ/2016/0691	1,650.00
Grow Liberia	3/31/2016	SAJ/2016/0616	1,650.00
Grow Liberia	3/2/2016	SAJ/2016/0503	1,650.00
Grow Liberia	2/1/2016	SAJ/2016/0414	1,650.00
Grow Liberia	1/4/2016	SAJ/2016/0346	1,650.00
Grow Liberia	11/27/2015	SAJ/2016/0202	1,650.00
Sight Savers	May 5,2016	SAJ/2016/0756	1,178.00
NASS Global	5/4/2016	SAJ/2016/0732	1,150.00
NASS Global	3/31/2016	SAJ/2016/0630	1,150.00
NASS Global	3/4/2016	SAJ/2016/0577	1,150.00
NASS Global	2/3/2016	SAJ/2016/0469	1,150.00
NASS Global	12/29/2015	SAJ/2015/0324	1,150.00
NASS Global	12/3/2015	SAJ/2015/0244	1,150.00
NASS Global	11/3/2015	SAJ/2015/0172	1,150.00
NASS Global	9/29/2015	33043	1,150.00
Center for National Documents	2/8/2016	SAJ/2016/0478	1,033.26
UMU	Dec.4,2015	SAJ/2015/0263	920.00
UMU	June 6,2016	SAJ/2016/0878	920.00
UMU	May 4,2016	SAJ/2016/0742	920.00
UMU	April 1,2016	SAJ/2016/0668	920.00
UMU	March 3,2016	SAJ/2016/0541	920.00
UMU	Feb.2,2016	SAJ/2016/0451	920.00
UMU	Jan.1,2016	SAJ/2016/0340	920.00
SRIMEX	Sept.29,2015	33056	909.00
SRIMEX	Aug27,2015	32964	909.00
SRIMEX	July 28,2015	32860	909.00
SRIMEX	Dec.3,2015	SAJ/2015/0235	909.00
SRIMEX	Nov.12,2015	SAJ/2015/0146	909.00
SRIMEX	April 1,2016	SAJ/2016/0642	909.00
SRIMEX	Feb.2,2016	SAJ/2016/0447	909.00
SRIMEX	Dec.29,2015	SAJ/2015/0318	909.00
Sight Savers	April 1,2016	SAJ/2016/0641	799.00
Matrix Media Inc.	Feb.3,2016	SAJ/2016/0470	759.00
Nobel Liberia	Feb.22,2016	33098	750.00



Entity Name	Invoice Date	Invoice #	Invoice Amounts US\$
SRIMEX	Sept.29,2015	33056	677.00
SRIMEX	March 11,2016	SAJ/2016/0584	606.00
SRIMEX	June 4,2015	32741	600.00
Nobel Liberia	Oct.30,2015	SAJ/2015/0126	535.00
Nobel Liberia	Sept.29,2015	33042	535.00
Nobel Liberia	Aug.26,2015	32937	535.00
Nobel Liberia	July 28,2015	32871	535.00
Nobel Liberia	June 6,2016	SAJ/2016/0860	402.00
Nobel Liberia	May 3,2016	SAJ/2016/0692	402.00
Nobel Liberia	April 1,2016	SAJ/2016/0656	402.00
Nobel Liberia	March 1,2016	SAJ/2016/0482	402.00
Nobel Liberia	Feb.2,2016	SAJ/2016/0445	402.00
Nobel Liberia	Dec.12,2015	SAJ/2015/0325	402.00
Nobel Liberia	Dec.1,2015	SAJ/2015/0220	402.00
J & J Technology Solution Inc.	June 6,2016	SAJ/2016/0849	287.00
J & J Technology Solution Inc.	May 5,2016	SAJ/2016/0713	287.00
J & J Technology Solution Inc.	March 31,2016	SAJ/2016/0602	287.00
J & J Technology Solution Inc.	March 2,2016	SAJ/2016/0516	287.00
Kaddieyatu Finley	Feb.16,2016	33094	212.00
Kaddieyatu Finley	June 29,2016	SAJ/2016/0915	212.00
Kaddieyatu Finley	May 20,2016	SAJ/2016/0798	77.00
<b>Total</b>			<b>913,380.15</b>

**Annexure 2: Lease LIBTELCO Towers to MTN Lonestar on Invoice #LIBTELCO/L001/017**

No.	Lease Description for Towers Rented out	Number of Years	Unit Cost per Year US\$	Total Billed up to 2018 US\$	Amount to be recognized in 15/16 as lease revenue US\$
1	Annual Lease for Kakata Tower site 3/26/14-3/25/18	4	7,700.00	30,800.00	7,700.00
2	Annual Lease for Belefanal site - 10/26/14-10/25/18	4	4,000.00	16,000.00	4,000.00
3	Annual Lease for Kpein site -4/26/14-4/25/18	4	7,000.00	28,000.00	7,000.00
4	Annual Lease for Bong Mines site - 10/26/14-10/25/18	4	3,000.00	12,000.00	3,000.00
5	Annual Lease for Scheffin site - 3/26/14-3/25/18	4	5,500.00	22,000.00	5,500.00
6	Annual Lease for Zorzor site -3/26/14-3/25/18	4	5,000.00	20,000.00	5,000.00
7	Annual Lease for Careys burg site - 3/28/08-3/27/14	6	5,500.00	33,000.00	5,500.00

No.	Lease Description for Towers Rented out	Number of Years	Unit Cost per Year US\$	Total Billed up to 2018 US\$	Amount to be recognized in 15/16 as lease revenue US\$
8	Annual Lease for Careys burg site - 3/28/14-3/27/18	4	5,500.00	22,000.00	5,500.00
<b>Total</b>			<b>43,200.00</b>	<b>183,800.00</b>	<b>43,200.00</b>

### Annexure 3: Sampled of Suspense Transactions

Type	Date	Num	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	06/02/2016			AMT IRO INWRD IFO LIBTELCO FRM US DEPT.	100080 · GT Bank Revenue USD		45,430.00
General Journal	06/25/2016			OUT. CHEQUE UNDER COLLECTION SETTLEMENT	100099 · GT BANK Expenditure USD		35,000.00
General Journal	06/23/2016			CBL check deposit	100065 · LBDI LD Revenue		23,371.83
General Journal	06/22/2016			IBL CHECK DEPOSIT	100075 · LBDI USD Revenue		19,150.00
General Journal	06/28/2016			CBL CHECK DEPOSIT	100065 · LBDI LD Revenue		14,066.26
General Journal	06/28/2016			CBL CHECK DEPOSIT	100075 · LBDI USD Revenue		13,612.52
General Journal	06/15/2016			AMT IRO INWRD RECD FRM US DEPT STATE TO LIB TELECO	100080 · GT Bank Revenue USD		9,597.50
General Journal	06/18/2016			AMT IRO INWRD IFO LIBERIA TELECOM FRM US DEPT	100080 · GT Bank Revenue USD		9,597.50
General Journal	06/14/2016			ECOBANK CHECK DEPOSIT	100075 · LBDI USD Revenue		7,500.00
General Journal	06/08/2016			Ecobank Check Deposit	100075 · LBDI USD Revenue		7,000.00

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Type	Date	Num	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	06/20/2016			CBL CHECK DEPOSIT	100075 · LBDI USD Revenue		6,567.66
General Journal	06/23/2016			IBL CHECK DEPOSIT	100075 · LBDI USD Revenue		6,066.00
General Journal	06/17/2016			ECO CR ADV B/O UNICEF IFO LIBTELCO	100075 · LBDI USD Revenue		6,025.00
General Journal	06/20/2016			CBL check deposit	100065 · LBDI LD Revenue		5,996.84
General Journal	06/09/2016			CBL check deposit	100065 · LBDI LD Revenue		5,842.95
General Journal	06/09/2016			CBL Check Deposit	100075 · LBDI USD Revenue		5,778.75
General Journal	06/23/2016			ECOBANK CHECK DEPOSIT	100075 · LBDI USD Revenue		4,628.75
General Journal	06/06/2016			LBDI Prestige Ck 00045690 Deposit IFO	100075 · LBDI USD Revenue		4,082.50
General Journal	06/28/2016			LBDI PRESTIGE CHECK 00045812 DEP IFO	100075 · LBDI USD Revenue		4,025.00
General Journal	06/09/2016			CORPORATE H. O. BEST BUY 0994	100099 · GT BANK Expenditure USD		3,867.85
General Journal	06/30/2016			FIBER LOOP BETWEEN CLARA TOWN & SINKOR JUNE & APRIL	100099 · GT BANK Expenditure USD		3,531.00
General Journal	06/08/2016			Ecobank Check deposit	100075 · LBDI USD Revenue		3,500.00
General Journal	06/10/2016			ECOBANK CHECK DEPOSIT	100075 · LBDI USD Revenue		3,450.00
General Journal	06/13/2016			AMT IRO INWRD TT RECD FRM US DEPT TO LIBTELCO	100080 · GT Bank Revenue USD		3,230.00

Type	Date	Num	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	06/06/2016			Ecobank Check Deposit	100075 · LBDI USD Revenue		3,226.00
<b>Total</b>							<b>254,143.91</b>

#### Annexure 4: Cash Receipts in Ledger not traced to Bank Statements

Ledger	Type	Date	Num	Name	Memo	Split	Amount US\$
100070 · LBDI USD Expenditure	General Journal	6/1/2016	42		Opening Bal. Entry	100065 · LBDI LD Revenue	5,508.97
100080 · GT Bank Revenue USD	General Journal	4/1/2016			Opening Balance	410000 · Opening Balance Equity	90
100075 · LBDI USD Revenue	Payment	5/24/2016		MWETANA Consulting & Tech Group		110000 · Account Receivables	2,932.50
100070 · LBDI USD Expenditure	General Journal	6/29/2016			Reversal entry for the amount paid for telephone expense	704000 · Telephone Exp	327
100065 · LBDI LD Revenue	General Journal	6/9/2016			CBL check deposit	705100 · Suspense	3,139.50
100099 · GT BANK Expenditure USD	General Journal	6/1/2016	42		Opening Bal. Entry	100065 · LBDI LD Revenue	28,240.84
100065 · LBDI LD Revenue	General Journal	6/1/2016			Opening Balance	410000 · Opening Balance Equity	24,386.85
100065 · LBDI LD Revenue	General Journal	5/10/2016	1444674		Payment made on invoice# 0780	12000 · Undeposited Funds	87,871.50
100075 · LBDI USD Revenue	General Journal	6/28/2016			ECOBANK CHECK DEPOSIT	705100 · Suspense	3,226.00
100075 · LBDI USD Revenue	General Journal	6/27/2016			LBDI CK 00205711 DEPOSIT IFO LIBTELCO	705100 · Suspense	587
100070 · LBDI USD Expenditure	General Journal	6/1/2016			Opening Balance	410000 · Opening Balance Equity	51,273.12

Ledger	Type	Date	Num	Name	Memo	Split	Amount US\$
100099 · GT BANK Expenditure USD	General Journal	6/1/2016			Brought Forward Balance	410000 · Opening Balance Equity	1,604.89
100050 · Central Bank USD	General Journal	6/30/2016	1		Opening Balance	410000 · Opening Balance Equity	283,753.00
<b>Total</b>							<b>492,941.17</b>

**Annexure 5: Cash receipts banked but not recorded in cash ledger.**

Receipt No	Receipt Date	Customer Name	Check Number	Bank Check Received	Amount US\$	Amount LR\$
2351	3/3/2016	MFA	7456	CBL	12,105.00	
2601	3/5/2016	LBDI	11961	LBDI	11,733.50	
2353	3/7/2016	Plan Liberia	470087	Ecobank	5,865.00	
2354	3/10/2016	UNDP	913800	Ecobank	10,550.00	
2694	3/10/2016	Srimex			1,819.00	
2605	3/11/2016	IB	32092	IBLL	2,438.00	
2357	14-Mar-16	Chinese Embassy	1754	IBLL	37,800.00	
2608	14-Mar-16	UNOPS	482663	Ecobank	1,700.00	
2326	1/27/2016	Africa Motors Corp	151593	Ecobank	2,443.75	
2328	1/29/2016	German Embassy	1016	IBLL	2,850.00	
2579	2/12/2016	Africare	475789	Ecobank	392.50	
2330	2/5/2016	Nobel Cash	Not Clear		403.00	
2331	2/5/2016	Grow Liberia	390267	Ecobank	1,897.50	
2583	2/5/2016	Petro Trade Inc	443116	Ecobank	1,092.50	
335	2/9/2016	IFES	3435	IBLL	1,700.00	
2341	2/17/2016	ICC	344565	UBA	1,725.00	
2592	2/18/2016	NASSCORP	00393221/ 00393223/ 00393224/ 00393222/00393225	Ecobank	10,695.00	
<b>Total</b>					<b>107,209.75</b>	<b>1,410,044.50</b>

**Annexure 6: Pictorial of Damaged Buildings (Wheing Town, Carezburg, and VOA  
Brewerville Property. In this order)**



**Annexure 7: Transactions Posted to Opening Balance Equity Ledger**

Type	Date	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	04/01/2016		Opening Balance	100080 · GT Bank Revenue USD		90.00
General Journal	06/01/2016		Opening Balance	100070 · LBDI USD Expenditure		51,273.12
General Journal	06/01/2016		Opening Bal. Entry	100065 · LBDI LD Revenue		1,401.73
General Journal	06/01/2016		Opening Balance	100065 · LBDI LD Revenue		24,386.85
General Journal	06/01/2016		REVERSAL ENTRY of GJ-42	100099 · GT BANK Expenditure USD	28,240.84	
General Journal	06/01/2016		Brought Forward Balance	100099 · GT BANK Expenditure USD		1,604.89
General Journal	06/01/2016		Opening Balance	100060 · Central Bank LD		98,364.71
General Journal	06/30/2016		Opening Balance	100050 · Central Bank USD		283,753.00
General Journal	06/30/2016		Opening Bal. Entries	130100 · Inventories		763,770.00
General Journal	06/30/2016		Opening Bal. Entries	130200 · In-Transit Inventory		46,845.00
General Journal	06/30/2016		Opening Bal. Entries	141000 · Furniture and Fixtures		75,149.00
General Journal	06/30/2016		Opening Bal. Entries	141010 · Accumulated Depreciation F&F	75,149.00	
General Journal	06/30/2016		Opening Bal. Entries	142000 · Motor Vehicle		471,599.58
General Journal	06/30/2016		Opening Bal. Entries	142010 · Accumulated Depreciation MV	335,218.05	
General Journal	06/30/2016		Opening Bal.	143000 · Communicatio		8,362,494.79



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Type	Date	Name	Memo	Split	Debit US\$	Credit US\$
			Enties	n Equipments		
General Journal	06/30/2016		Opening Bal. Enties	143010 · Accumulated Depreciation - CE	4,724,272.24	
General Journal	06/30/2016		Opening Bal. Enties	144000 · Buildings		6,207,796.02
General Journal	06/30/2016		Opening Bal. Enties	144010 · Accumulated Depreciation - Bld	2,790,069.99	
General Journal	06/30/2016		Opening Bal. Enties	145000 · Office Equipments		232,870.05
General Journal	06/30/2016		Opening Bal. Enties	145010 · Accumulated Depreciation - OE	202,358.82	
General Journal	06/30/2016		Opening Bal. Enties	146000 · Land		2,886,269.00
General Journal	06/30/2016		Opening Bal. Enties	147000 · Capitalized Expenses	248,530.47	
General Journal	06/30/2016		Opening Bal. Enties	147000 · Capitalized Expenses		248,530.47
General Journal	06/30/2016		Opening Bal. Enties	160000 · Intangible Assets		3,000,000.00
General Journal	06/30/2016		Opening Bal. Enties	161010 · Amortization / IA	966,667.00	
General Journal	06/30/2016		Opening Bal. Enties	149000 · Generator and Power Equipments		1,059,572.00
General Journal	06/30/2016		Opening Bal. Enties	149010 · Accumulated Depreciation G & PE	523,183.00	
General Journal	06/30/2016		Opening Bal. Enties	420000 · Paid In Capital	10,374,846.60	

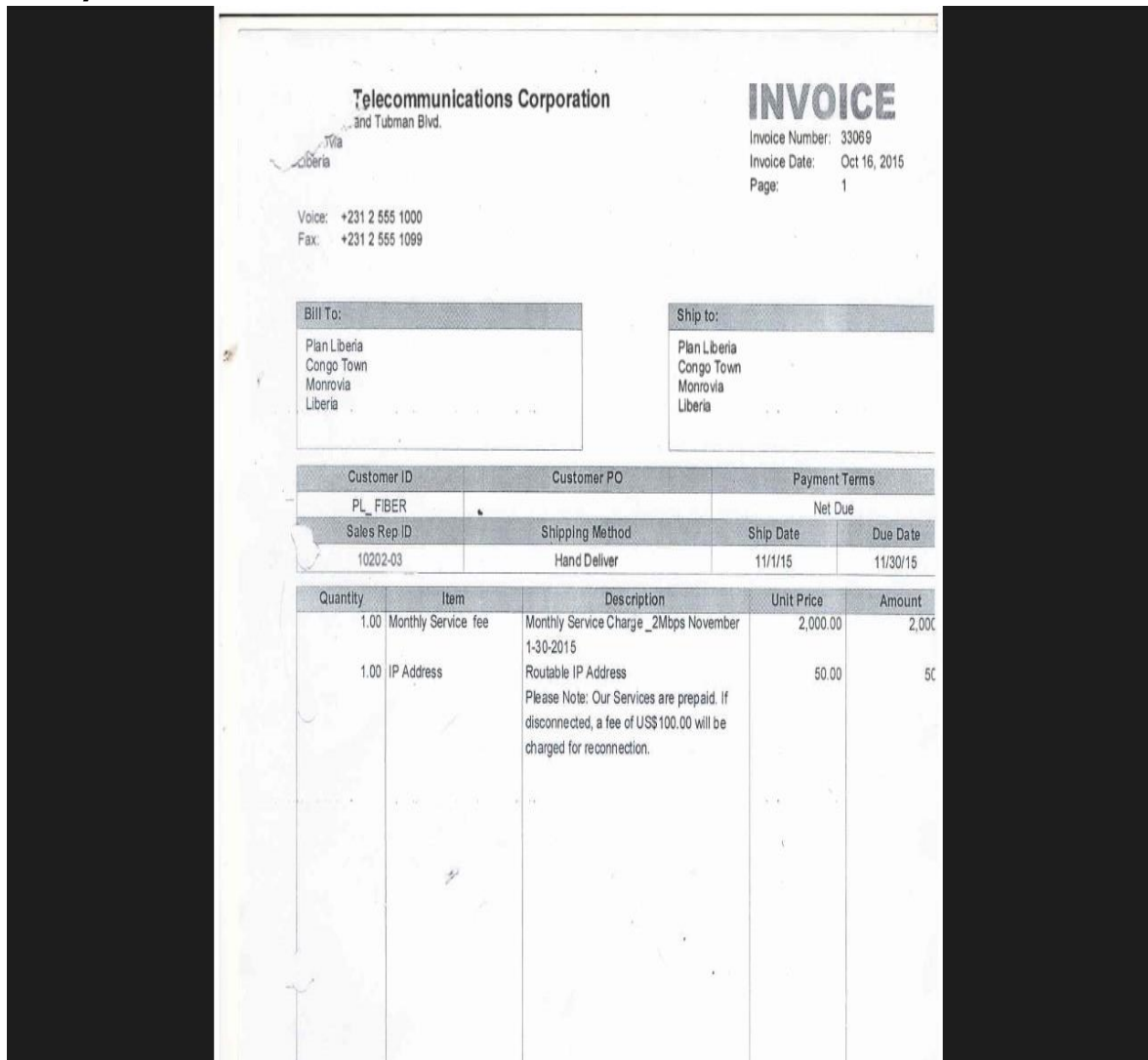
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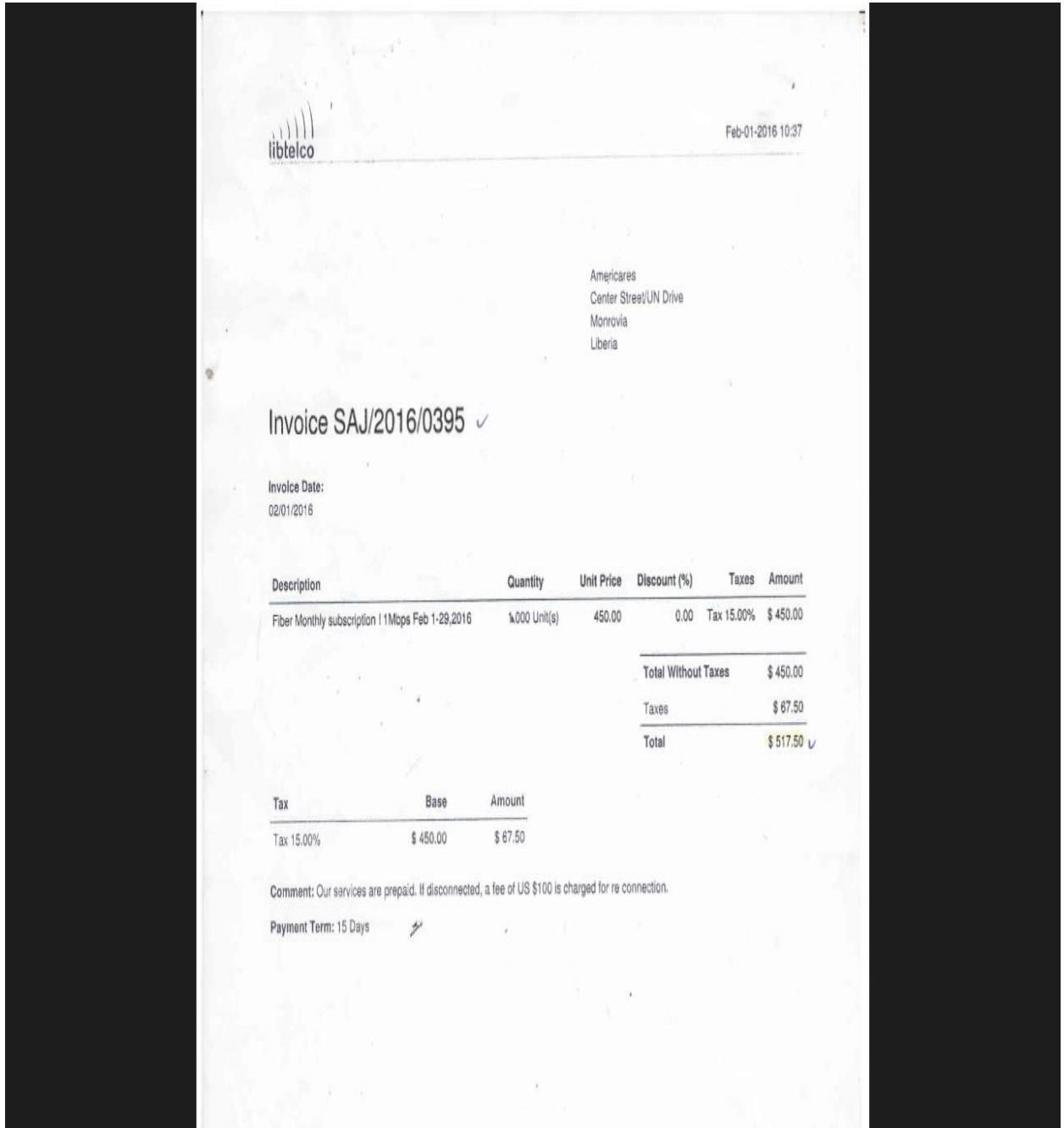
Type	Date	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	06/30/2016		Opening Balance Entry	100050 · Central Bank USD	269,519.60	
General Journal	06/30/2016	IFC Leased Line	Opening Equity Balanc	110000 · Account Receivables		3,677.64
General Journal	06/30/2016	Ministry of Post & Telecom municati ons	Opening Equity Balanc	110000 · Account Receivables		4,071.89
General Journal	06/30/2016	Pricewat er House Cooper	Opening Equity Balanc	110000 · Account Receivables		6,066.25
General Journal	06/30/2016	RLJ Kendeja Resort & Villas	Opening Equity Balanc	110000 · Account Receivables		2,642.19
General Journal	06/30/2016	Novafone (Comium)	Opening Equity Balanc	110000 · Account Receivables		69,000.00
General Journal	06/30/2016	NASSCO RP	Opening Equity Balanc	370000 · Social Security - Acct. Payable	331,750.00	
General Journal	06/30/2016	Africa Motors	Opening Equity Balanc	310100 · Accounts Payables Current	18,325.00	
General Journal	06/30/2016	Dolphins	Opening Equity Balanc	310100 · Accounts Payables Current	56,000.00	
General Journal	06/30/2016	Evergreen / James Corp.	Opening Equity Balanc	310100 · Accounts Payables Current	62,500.00	
General Journal	06/30/2016	Huwei Technologies	Opening Equity Balanc	310100 · Accounts Payables Current	151,983.41	
General Journal	06/30/2016	Inprofile Daily	Opening Equity Balanc	310100 · Accounts Payables Current	400.00	

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Type	Date	Name	Memo	Split	Debit US\$	Credit US\$
General Journal	06/30/2016	Naresh Brothers	Opening Equity Balanc	310100 · Accounts Payables Current	489.00	
General Journal	06/30/2016	Petro Trade 01	Opening Equity Balanc	310100 · Accounts Payables Current	31,350.00	
General Journal	06/30/2016		Opening Equity Balanc	430000 · Retained Earnings	414,002.93	
General Journal	06/30/2016	Liberia Revenue Authority 01	Opening Equity Balanc	360000 · 15% GST Payable - LRA	204,562.00	
General Journal	06/30/2016	Lone Star Communication	Opening Equity Balance	310200 · Trade Payables - Lonestar Cell	406,896.00	
General Journal	06/30/2016	Vizada Network	Opening Equity Balanc	310600 · Trade / Vizada Networks AS	186,114.54	
General Journal	06/30/2016	ZTE	Opening Equity Balance	310500 · Acct Payable - ZTE	4,320,176.00	
General Journal	06/30/2016	Alink	Opening Equity Balanc	310168 · Acct Payable - Alink	677,056.00	
General Journal	06/30/2016	Other Accruals	Opening Equity Balanc	385000 · Other Accruals	1,293.60	
General Journal	06/30/2016	Cotigent Liability	Opening Equity Balance	390000 · Contingent Liabilities	500,322.00	
General Journal	06/30/2016		Opening Balance	180000 · Investment & Securities/CCL		5,000,000.00
<b>Total</b>					<b>27,901,276.09</b>	<b>28,901,228.18</b>

**Annexure 8 – Sampled Pictorial of Two Different Invoices issued during the 2015/2016 fiscal year**





**Annexure 9 – Sample Pictorial of All Inventories without Records**

