



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**ON THE FINANCIAL STATEMENTS AUDIT
OF THE LIBERIA INTELLECTUAL
PROPERTY OFFICE (LIPO)**

**FOR THE FISCAL YEAR ENDED JUNE 30,
2019**

December 2022

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

Republic of Liberia



TRANSMITTAL LETTER

**THE HONORABLE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
HONORABLE PRESIDENT PRO- TEMPORE OF THE HOUSE OF SENATE**

We have undertaken a financial statements audit of the Liberia Intellectual Property Office (LIPO) for the fiscal year July 1, 2018 to June 30, 2019. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Findings conveyed in this report were formally communicated to the authorities of the (LIPO) for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

Given the significance of the matters raised in this report, we urge the Honorable Speaker and Members of the House of Representatives and the Honorable Pro- Tempore and Members of the Liberia Senate to consider the implementation of the recommendations conveyed in this report with urgency.

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

Monrovia, Liberia
December 2022



Table of Contents

Basis for Adverse Opinion	5
Management's Responsibility.....	6
Auditor's Responsibility	6
STATEMENT OF RESPONSIBILITIES	7
NOTES OF EXPLANATIONS AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS	11



ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
ACCA	Association of Certified Charter Accountant
AG	Auditor General
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Fraud Investigation Professional
COSO	Committee of Sponsoring Organizations
FY	Fiscal Year
GAC	General Auditing Commission
GL	General Ledger
GoL	Government of Liberia
HR	Human Resource
ICT	Information and Communication Technology
INTOSAI	International Organization of Supreme Audit Institution
IP	Intellectual Property
IPDP	Intellectual Property Development Plan
ISSAI	International Standards of Supreme Audit Institution
IT	Information Technology
LBDI	Liberia Bank for Development and Investment
LIPO	Liberia Intellectual Property Office
LRD	Liberian Dollars
PFM Act	Public Finance Management Act
PPC Act	Public Procurement Concession Act
PPCC	Public Procurement and Concession Committee
Ref	Reference
RFQ	Request for Quotation
RL	Republic of Liberia
ToR	Term of Reference
USD	United States Dollars
WIPO	World Intellectual Property Office



Hon. P. Adelyn Cooper
Director General
Liberia Intellectual Property Office (LIPO)
Monrovia, Liberia

December 14, 2022

Dear Hon. Cooper:

RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA INTELLECTUAL PROPERTY OFFICE (LIPO)

Adverse Opinion

We have audited the accompanying financial statements of the Liberia Intellectual Property Office (LIPO) as at June 30, 2019 which comprises the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

In our opinion, the accompanying financial statements did not present fairly, in all material respects, the Statement of Receipts and Payments as at June 30, 2019, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Adverse Opinion

Management did not disclose in the financial statements reconciled bank balance amounting to USD42,585.94 and its underlying documents domiciled at the Liberia Bank for Development and Investment.

Management did not disclose revenues received from the African Regional Intellectual Property Organization amounting to USD104,580.31 which was recorded on the Entity's bank statement from LBDI bank.

Management did not disclose in the financial statements several transactions recorded on the LBDI bank statements amounting to US\$61,653.00.

Management made payments amounting to USD11,400.00 and LRD7,200.00 without evidence of supporting documents such as payment vouchers and invoices, etc. to validate the transactions.



Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The Management is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


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

Monrovia, Liberia
December 2022

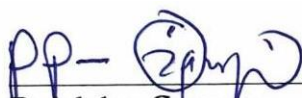
STATEMENT OF RESPONSIBILITIES

The Financial Statements as set out on pages 8 to 11 have been prepared in accordance with the provisions of the Public Financial Management Act of 2009 and in compliance with the Cash Basis International Public-Sector Accounting Standards (Cash IPSAS), adopted by the Government of Liberia.

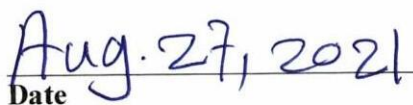
In accordance with the provisions of the Public Financial Management (PFM) Act of 2009, I am responsible for the control of and accounting for public funds received, held, and expended for and on behalf of the LIBERIA INTELLECTUAL PROPERTY OFFICE.

Under the provisions of the same Act, I am required to prepare unaudited Final Account of the Liberia Intellectual Property Office to be submitted to the Minister of Finance and Development Planning, 15 days after end of each quarter to which it relates. However, I have delegated the preparation of the unaudited Final Account to the Comptroller for my transmittal to the Minister, as provided in the attendant Regulations of the Public Financial Management Act of 2009. Accordingly, I am pleased to submit the required Annual Public Account of The Liberia Intellectual Property Office in compliance with the PFM Act and its attendant Regulations. I have provided, and will continue to provide, all the information and explanations as may be required in connection with the financial statements presented therein.

In preparing these Financial Statements, the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates. To the best of my knowledge and belief, these Financial Statements agree with the books of accounts, which have been properly kept. I accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the provisions of the Public Financial Management (PFM) Act of 2009.



P. Adelyn Cooper
Director General
Liberia Intellectual Property Office



Date



1 Introduction

This report provides analysis of the cash receipts and payment as well as expenditure performance report of the Liberia Intellectual Property Office (LIPO) for the fiscal year ended 30th June 2019.

2 The FY2018/19 Approved Budget

At the onset of the fiscal year 2018/2019, the National Legislature appropriated for the Liberia Intellectual Property Office, a total of three hundred seventy thousand, seventy-nine United States Dollars (US\$370,079.00). Of the total appropriation, General Allowance accounted for eighty-seven thousand, four hundred thirty-two United States Dollars (US\$87,432.00), special allowance accounted for two hundred twenty-three thousand, eight hundred nineteen United States Dollars (US\$223,819.00), Basic Salaries also accounted for forty-eight thousand, eight hundred thirty-eight United States Dollars (US\$48,828.00), while goods & services accounted for ten thousand United States Dollars (US\$10,000.00).

Other grant and aid: During the above period the Liberia Intellectual Office (LIPO) received the total of one hundred four thousand, five hundred eighty dollars thirty cent (\$104,580.30), deposited in Liberia Bank of Development and Investment account number or LBDI (A/c # 002USD21515363402) from the African Reginal Intellectual Property Office (ARIPO) for the hosting of the ARIPO Administrative Council meeting which was held at the Farmington Hotel in Margibi County. At that meeting, the Director General of the Liberia Intellectual Property Office was elected as Chair for ARIPO council of Ministers for two years.

Summary

4. Authorized Appropriation/Allocations

Authorized Appropriation/Allocations for fiscal year 2018/2019 was three hundred seventy thousand, seventy-nine United States Dollars (US\$370,079.00). The total appropriated and other receipts (ARIPO) amounted to four hundred seventy-four thousand, six hundred fifty-nine dollars thirty cent (US\$474,659.30).

Other Receipts

Other receipts (From ARIPO) for the fiscal year 2018/2019 was US\$104,580.30

5. Expenditure – Operational funds

a. **Employee benefits** – employees' benefits for the fiscal year 2018/2019 amounted one hundred sixty thousand, seventy-nine United States Dollars (US\$360,079) which constitute ninety-seven percent (97%) of the annual appropriation for the fiscal period.

b. **Goods and services** - the supplies and consumable for the fiscal year ten thousand United States Dollars which constitute three percent (3%) of the annual appropriation.

c. **Purchase of Capital items** – there was no allotment for capital items during the first quarter.



d. Sixty- one thousand, five hundred fifty-three United States Dollars (USD61,653.00) was used out of one hundred four thousand, five hundred eighty dollars thirty cent (\$104,580.30). The balance carried forward was forty-two thousand, six hundred fifteen dollars ninety-four cent (USD42,615.94).

3 **Conclusion**

The Financial Statements for the fiscal year ended 30th June 2019 should be read in conjunction with the underlying notes and supplementary disclosures for better understanding and interpretation.

M. Gbantala

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Musu Gbantala.
Comptroller

Aug. 27, 2021

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Date



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT (GENERAL FUND)						
FOR THE FY ENDED 30 TH JUNE 2019 (FY2018/2019)						
<i>-RECEIPTS BY TYPE AND PAYMENTS CLASSIFICATION BY NATURE</i>						
<i>-Budget Approved on the Cash Basis</i>						
	For the FY Ended 30 th JUNE 2019 (F2018/2019)					FY2018/19
ACCOUNT TITLE/DESCRIPTION	ACTUAL AMOUNT	FINAL BUDGET	ORIGINAL BUDGET	DIFFERENCE: FINAL BUDGET AND ACTUAL	PERCENTAGE VARIANCE	ACTUAL AMOUNT
	US \$	US \$	US \$	US \$	%	US \$
CASH INFLOWS						
Authorized Allocation/Application Grants	370,079.00	370,079.00				370,079.00
Borrowings						
Other Receipts (LBDI) A/C:#: 002USD21515363402	104,580.30					104,580.30
Total Cash Receipts	474,659.30	370,079.00				474,659.30
CASH OUTFLOWS						
Wages, Salaries and Other Employee Benefits	360,079.00	360,079.00				360,079.00
Goods and Services Consumed	4,550.00	10,000.00		(5,450.00)		4,550.00
Capital Expenditure						
Loans Repayments						
Other Payment (Transfer)	61,653.00					61,653.00
Capital Reserve						
Total Cash Payments	426,282.00	370,079.00		(5,450.00)		426,282.00
NET CASH FLOW- OPERATIONAL FUND	48,377.30			(5,450.00)		48,377.30



NOTES OF EXPLANATIONS AND ELABORATION RELATING TO THE FINANCIAL STATEMENTS

The numbered notes that follow relate directly to the content of the Financial Statements above and are numbered accordingly.

1 General Information – Reporting Entity

The financial statements are for Liberia Intellectual Property Office a public sector entity of the Government of Liberia. The financial statements encompass the reporting entity as specified in the relevant legislation (Public Finance Act 2009). Liberia Intellectual Property Office was established on June 14, 2016 and published in hand bill on July 22, 2016. The Office is responsible to register: Trademark, Patent, industrial design, Geographical indication, and while Copyright is charge with the responsibility to register Traditional Knowledge, Folktales, Lateral, Music, and film production, etc

The Financial Statements presented above reflect the Cash Receipts and Payments of the Liberia Intellectual Property Office for the fiscal year ended June 30th 2019 on the basis of moneys received by, held in or paid out by the Liberia Intellectual Property Office during the fiscal period under review. The Entity does not control its own bank account of government appropriations and allotment but is controlled by the Ministry of Finance and Development Planning, from where expenditures are approved upon presentation of appropriate documentation and authorization. Other cash receipts from the African Regional Intellectual Property Office (ARIPO) for the hosting of the Administrative Council meeting are deposited in the Liberia Bank for Development and Investment (LBDI) account with A/C #: 0221515363402.

The principal address of the reporting entity is Liberia Intellectual Property Office (LIPO), Old Labor Ministry Compound, UN Drive, Monrovia, Liberia

2 Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Liberia in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of the financial statements therein are set out below.

(a) Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the Cash Basis International Public Sector Accounting Standard (IPSAS); Financial Reporting under the Cash Basis of Accounting. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The accounting policies adopted have been consistently used throughout.



(b) Reporting currency and translation of foreign currencies

(i) Functional and presentation (or reporting) currency

The Republic of Liberia operates a dual currency regime comprising the Liberian Dollar (LD) and the United States Dollar (US \$) both of which are legal tenders. The attendant Financial Regulations to the PFM Act of 2009 states that: the monetary unit of Liberia for all government agency accounting and financial reporting shall be the Liberian Dollar. The United States Dollars may also be used for financial reporting purposes, but the Liberian Dollar is the base currency.”

Hence, for the purpose of these Financial Statements being submitted, the United States Dollar is used as the reporting currency, which is permitted under the attendant Financial Regulations to the PFM Act of 2009 and adopted by the Government of Liberia as its reporting currency.

(ii) Translation of transactions in foreign currency

Foreign currency transactions and transactions in Liberian Dollar and other foreign currencies are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Closing monetary balances are translated into the reporting currency using the closing rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. For the fiscal year ended (30th June 2019) exchange rate for the Liberian Dollar was 195 LD to US\$1.00

(c) Reporting Period

The reporting period for these financial statements is for the fiscal year ended 30th June 2019.

(d) Payments by Third Parties

Liberia Intellectual Property Office did not benefit from goods and services purchased on its behalf as a result of cash payments made by third parties during the period either by way of loans or contributions. Payments made by other Government Units (Government Projects) and the Third Parties do not constitute cash receipts or payments by Liberia Intellectual Property Office and did benefit it.

(e) Receipts

Receipts represent cash received by Liberia Intellectual Property Office during the financial year, comprising Authorized allocations/appropriations, Grants and other receipts. Receipts are recognized as follows:



(i) Authorized Allocations/Appropriations

Authorized Allocations are recognized when they are received and under the control of the Liberia Intellectual Property Office.

(ii) Grants

Grants are recognized when received. Similarly, grants/transfers to other entities of Government are recognized when disbursement is made.

(iii) Other Receipts

Other Receipts are fees/charges collected and proceed from sales of designated services by the Liberia Intellectual Property Office. Sales of services are recognized in the period in which the payment for the service is received and not necessarily when the service is rendered. Other Receipts, whether directly collected by the Liberia Intellectual Property Office or collected by another entity on its behalf is recognized when received and under its control.

(f) Expenses

In general, all expenses are recognized in the statement of Cash Receipts and Payments when paid for.

(g) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment principally comprises land, buildings, plant, vehicles, equipment, and any other capital assets controlled by the Liberia Intellectual Property Office Under the Government's cash basis of accounting, purchases of property, plant and equipment are expensed fully in the year of purchase. However, a memorandum record is maintained in the Fixed Assets Register at historical cost for all non-current assets of the Liberia Intellectual Property Office. Unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements. Proceeds from disposal of property, plant and equipment are recognized as other receipt in the period in which it is received.

(h) Inventories

Supplies and consumable are expensed in the period in which they are paid for.

(i) Employee benefits

Employee benefits include salaries, wages, allowances, pensions and other related-employment costs. Employee benefits are recognized when they are paid. No provision is made for accrued leave or reimbursable duty allowances.

(j) Contingencies

Contingent liabilities are recorded in the Statement of Contingent Liabilities (on memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognized only



when the contingent event occurs and payment is made. Contingent assets are neither recognized but disclosed where probable.

(k) Commitments and Guarantees

Long term Commitments, including operating and capital commitments arising from non-cancellable contractual or statutory obligations as well as Guarantees made, will be reported as Notes to the Financial Statements.

3 Authorization Date

The Financial Statements were authorized for issue on 30th June 2019 by Hon. P. Adelyn Cooper Director General, Liberia Intellectual Property Office

4 Authorized Allocations/Appropriation

At the onset of the fiscal year 2018/2019, the National Legislature authorized and appropriated on behalf LIPO the sum of three hundred twenty-two thousand, seven hundred ninety-two United States Dollars. During the fiscal year, a supplementary budget was added to the original authorized appropriation for one presidential appointee, (the Registrar General of the Liberia Intellectual Property Office) in the amount of forty-seven thousand, two hundred eighty-seven United States Dollars (US\$47,287.00) for basic salary and special allowance. The total amount of authorized allocations/appropriations received for the fiscal year 2018/2019 was three hundred seventy thousand, seventy-nine United States Dollars (US\$370,079.00). Analysis of Authorized Allocations/Appropriation received for the fiscal year ended 30th June 2019 is presented below:

4. Other receipts.

The total amounts of other receipts for FY2018/2019 was US\$104,580.30 for the Other cash receipts from the African Regional Intellectual Property Office (ARIPO) for the hosting of the Administrative Council meeting are deposited in the Liberia Bank for Development and Investment (LBDI) account with A/C # : 002USD21515363402.

Payments –Operations, (Wages, Salaries, and other benefits)

The total amount of cash payment made for compensation of employees for the fiscal year under review is three hundred sixty thousand, seventy-nine United States Dollars (US\$360,079.00) and are classified in the same form as the national budget as follow:

6. Payment – Operations (Supplies and Consumables)

The total authorized allotment/appropriation for goods and services during the fiscal year ended 2018/2019 was ten thousand United States Dollars (US\$10,000.00). During the execution of the authorized allotments, allotments issued and approved for disbursement for goods and services was four thousand, five hundred fifty United States Dollars as at 30th June 2019. The balance in appropriation for

the fiscal year ended 30th June 2019 is five thousand, four hundred fifty United States Dollars (US\$5,450.00).

NOTE 8 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL PAYMENTS MADE DURING THE FISCAL YEAR ENDED 30TH June 2019 (FY2018/19)						
Account Title	Actual	Final Budget	Original Budget	Variance (Actual vs. Revised Estimates)	% Variance	Actual
	FY 2018/19	FY 2018/19	FY 2018/19	FY 2018/19	FY 2018/19	FY 2018/19
	US \$	US \$	US \$	US \$		US \$
<i>Comparative Analysis by Economic Classification</i>						
Supplies and Consumables		4,550.00	10,000.00	(5,450.00)		-
Other expenses:						
Office Cleaning Materials	1,334.00	-				1,334.00
Stationeries and supplies	850.00	-				850.00
Internet services	741.00	-				741.00
Operation Expenses	1,625.00	-				1,625.00
GRAND TOTAL	4,550.00	4,550.00	10,000.00	5,450.00		4,550.00

