



## Management Letter

### On The Audit of the Liberia Intellectual Property Office (LIPO) Financial Statements

*For the Fiscal Period 2020/2021*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
December 2022

Table of Contents

<b>1</b>	<b>DETAILED FINDINGS AND RECOMMENDATIONS.....</b>	<b>6</b>
<b>1.1</b>	<b>Financial Issues .....</b>	<b>6</b>
1.1.1	Undisclosed Bank Account Balance.....	6
1.1.2	Undisclosed Generated Income.....	7
1.1.3	Unreported Expenditure .....	8
1.1.4	Expenditure Lacking Adequate Supporting Documentation.....	9
1.1.5	Third Party Payments .....	10
<b>1.2</b>	<b>Compliance Issues .....</b>	<b>11</b>
1.2.1	Non-Preparation of Bank Reconciliation .....	11
1.2.2	No Evidence of Quarterly Budgeted Performance Reports.....	12
<b>1.3</b>	<b>Internal Control Related Activities .....</b>	<b>13</b>
1.3.1	Withholding and Remittance of Goods/Services Tax .....	13
1.3.2	Irregularity Associated with Financial Reporting .....	14
1.3.3	Lack of Approved Policies and Procedures .....	15
1.3.4	Unverified Salary Record .....	16
1.3.5	Internal Audit Unit .....	17
1.3.6	Irregularity Associated with Fixed Assets .....	18
1.3.7	Risk Assessment Processes .....	20
1.3.8	Disaster Recovery Plan .....	21
<b>1.4</b>	<b>Governance Issues .....</b>	<b>22</b>
1.4.1	Non- Functional Board of Directors.....	22
1.4.2	Un-submitted Key Management Personnel Files .....	23
1.4.3	Strategic Plan .....	24
1.4.4	Establishment of an Audit Committee .....	25
<b>1.5</b>	<b>IT Related Issues .....</b>	<b>26</b>
1.5.1	IT Continuity Plans.....	26
1.5.2	Environmental Control .....	27
1.5.3	IT's Security Policy .....	28
<b>ANNEXURE</b>	<b>.....</b>	<b>29</b>

### Acronyms/Abbreviations/Symbols

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
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

December 14, 2022

Hon. P. Adelyn Cooper

**Director General**

Liberia Intellectual Property Office (LIPO)  
Monrovia, Liberia

Dear Hon. Cooper:

The Financial Statements of the Liberia Intellectual Property Office (LIPO) are subject to audit by the Auditor General (AG) consistent with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

**INTRODUCTION**

The Audit of the Financial Statements of the LIPO for the fiscal period 2020/2021 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

**SCOPE AND DETERMINATION OF RESPONSIBILITY**

The audit was conducted in accordance with the 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:

- An 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 Management of LIPO. Our responsibility is to express our opinion on these financial statements.

### Key Personnel of the Entity

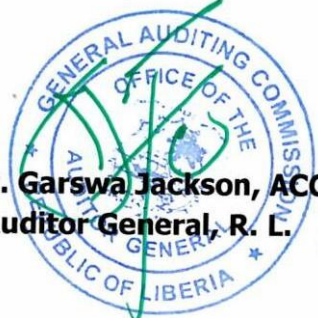
During the periods under audit, the following key persons managed the affairs of the Entity. **See detailed below;**

#### KEY MANAGEMENT PERSONNEL

Name	Rank	Tenure
Hon. P. Adelyn Cooper	Director General	2018 to Present
Hon. Theresa S. Thomas	Deputy Director Gen. Industrial. Property	2018 to Present
Hon. Clifford B. Robinson, Jr	Deputy Director Gen. for Copy Right	2018 to Present
Hon. Zaza Y. Quaqua	Registrar General	2018 to Present
Mr. Prince E. Decker	Technical Assistant	2017 to Present
Ms. Musu K. Gbandala	Financial Comptroller	2017 to Present

#### APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the Management and Staff of the LIPO during the audit. The audit findings which were identified during the course of the audit are stated below.

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

**Monrovia, Liberia**

December 2022

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues

#### 1.1.1 Undisclosed Bank Account Balance

##### Observation

- 1.1.1.1 Regulation I.19 of the Public Financial Management (PFM) Act of 2009 states that “The Responsibility of the Auditor-General for examining and certifying government accounts does not relieve any officer responsible for keeping and rendering such accounts from the duty to comply and to ensure that subordinates comply with provisions of any enactment, these regulations and with any instructions or directions issued under them.”
- 1.1.1.2 During the audit, we observed that Management failed to disclose the cash balance in its Liberia Bank for Development and Investment (LBDI) Account Number (002USD21515363402), title Liberia Intellectual Property Office (LIPO). The cash balance per the Bank Statement as at June 2021 was USD15,109.06.

##### Risk

- 1.1.1.3 The completeness and accuracy of the financial statements may not be assured in the absence of full disclosure of the bank balances in the financial statements.
- 1.1.1.4 The failure to adequately provide full disclosure about cash and cash equivalent may deny the intended users of the financial statements the information needed to make informed decision.

##### Recommendation

- 1.1.1.1 Management should adjust the financial statements and disclosed the reconciled bank account (balance) domiciled at the Liberia Bank for Development and Investment (LBDI).
- 1.1.1.2 Management should ensure that all relevant information regarding cash and cash equivalent are disclosed in the financial statements.

##### Management’s Response

- 1.1.1.3 *Management acknowledges your observation. Management has addressed the finding by redoing the financial statement that expressed in the Management letter.*

##### Auditor General’s Position

- 1.1.1.4 Management subsequent adjustment of the financial statements did not adequately address the issues raised. Management did not disclose the listing of bank account balances in the financial statements which is a mandatory disclosure in the IPSAS Cash Basis of Accounting, as adopted by the Government of Liberia.

## 1.1.2 Undisclosed Generated Income

### Observation

- 1.1.2.1 Regulations A. 3 (1 and 2) of the PFM of 2009 states that "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister. A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20."
- 1.1.2.2 Section 36 (1 and 2) of the PFM Act of 2009 also states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister. Each Spending Entity is required, where applicable, to provide a monthly report on revenues and a quarterly expenditures performance report to the Minister in the terms, format and within the timeframe determined by regulations under this Act."
- 1.1.2.3 During the audit, we observed that funds transferred amounting to USD93,723.34 in the Liberia Bank for Development and Investment (LBDI) account number 002USD21515363402 with account title Liberia Intellectual Property Office (LIPO) was not reported and/or disclosed in the financial statements for the fiscal year ended 2020/2021. **See below table 1 for Details. Reported.**

**Table 1: Undisclosed Generated Income**

No.	DATE	REFERENCE	DESCRIPTION	CHEQUE No	AMOUNT USD
1	6-Aug-20	13951202190037	OPUT-4113 TT REF:C0002184827901 DD 8/5/2020		44,400.46
2	21-Oct-20	12901202950038	OPUT-2005 TT REF:C0002942376801 DD 10/20/20		19,714.34
3	25-Feb-21	16282210560050	OPUT-6279 TT REF:C0010552359301 DD2/24/21		29,608.54
<b>TOTAL</b>					<b>93,723.34</b>

### Risk

- 1.1.2.4 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated.

1.1.2.5 A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statements.

### **Recommendation**

1.1.2.6 Management should adjust the financial statement and fully disclose all revenue received from the African Regional Intellectual Property Organization.

1.1.2.7 Management should ensure that all transfers and revenue are reported and fully disclose in the financial statements in a timely manner as required by the PFM Act and Regulations of 2009.

### **Management's Response**

1.1.2.8 *Management acknowledges your observation. Management has addressed the finding by redoing the financial statement that expressed in the Management letter.*

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

1.1.2.9 Management subsequent adjustment of the financial statements did not adequately address the issues raised. Management did not disclose the transfers from African Regional Intellectual Property Organization in the notes to the financial statements which is a mandatory disclosure in the IPSAS Cash Basis of accounting, as adopted by the Government of Liberia.

1.1.2.10 Further, the adjusted financial statements did not contain the statements of cash receipts and payments as mandated by the IPSAS Cash Basis of Accounting.

1.1.2.11 Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.1.3 Unreported Expenditure**

### **Observation**

1.1.3.1 Section 36 (1 and 2) of the PFM Act of 2009 states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instructions issued by the Minister. Each Spending Entity is required, where applicable, to provide a monthly report on revenues and a quarterly expenditures performance report to the Minister in the terms, format and within the timeframe determined by regulations under this Act."

1.1.3.2 During the audit, we observed from extract of confirmed bank statement that Management did not report the amount of USD84,588.04 in the financial statements as expenditure incurred for the fiscal period ended 2020/2021. **Ref. Annexure 1 for details**



### **Risk**

- 1.1.3.3 The completeness and accuracy of the expenditure may not be assured. Therefore, the financial statements may be misstated.

### **Recommendation**

- 1.1.3.4 Management should adjust the financial statement and fully disclose all expenditure incurred during the period under audit.
- 1.1.3.5 Management should ensure that all expenditure incurred are reported and fully disclose in the financial statements during the period under audit.

### **Management's Response**

- 1.1.3.6 *Management acknowledges your observation. Management has addressed the finding by redoing the financial statement that expressed in the Management letter.*

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

- 1.1.3.7 Management subsequent adjustment of the financial statements did not adequately address the issues raised. Management did not disclose the expenditure listed in Annexure 1 in the statements of Cash Receipts and Payments and the adjusted financial statements did not contain the statements of cash receipts and payments as mandated by the IPSAS Cash Basis of Accounting.
- 1.1.3.8 Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.1.4 Expenditure Lacking Adequate Supporting Documentation**

### **Observation**

- 1.1.4.1 P.9 (2) of the Public Finance Management (PFM) Regulations of 2009 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".
- 1.1.4.2 During the audit, we observed that Management made payments amounting to USD6,929.00 and LR49,940.00 without evidence of supporting documents such as payment vouchers and invoices, etc. to validate the transactions. **Ref. Annexure 2 for details.**

### **Risk**

- 1.1.4.3 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments cannot be assured. This may lead to misappropriation of the Entity's funds.
- 1.1.4.4 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

1.1.4.5 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

#### **Recommendation**

1.1.4.6 Management should account for the expenditure without adequate supporting documents.

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

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

1.1.4.8 *Management acknowledges your observation and it was due to the restructuring and relocation of the office.*

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

1.1.4.9 Management's assertion did not adequately address the issues raised. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.1.5 Third Party Payments**

#### **Observation**

1.1.5.1 Regulation B. 28 of the PFM Act of 2009 states that "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment".

1.1.5.2 During the audit, we observed that Management made payments in the names of some of its employees amounting to USD1,452.00 and LRD5,250.00 for goods and services delivered to the Entity instead of the service providers or their legally authorized representatives. **Ref. Annexure 3 for details.**

#### **Risk**

1.1.5.3 Paying cash to employee for subsequent disbursement to vendors may facilitate misappropriation of funds.

1.1.5.4 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

#### **Recommendation**

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

### **Management's Response**

- 1.1.5.6 *Management acknowledges your observation and has corrected all payments going forward in keeping with the public financial management Act of 2009. For instance, third party payments.*

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

- 1.1.5.7 We acknowledge Management's acceptance of our findings and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.
- 1.1.5.8 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.2 Compliance Issues**

### **1.2.1 Non-Preparation of Bank Reconciliation**

#### **Observation**

- 1.2.1.1 Regulation R.3 (6) of the PFM Act 2009 states that "balance of every bank account show in the statement shall be reconciled with corresponding cash balance at least every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.
- 1.2.1.2 During the audit, we observed that Management did not perform any bank reconciliation for its LBDI and CBL accounts for the fiscal year ended 2020/2021.

#### **Risk**

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

#### **Recommendation**

- 1.2.1.1 Management should ensure that monthly bank reconciliation of all its accounts are prepared, reviewed and approved by senior level staff with the required qualification and competence.
- 1.2.1.2 The Management should ensure that bank reconciliation for all its bank accounts during the fiscal period are appropriately prepared and reviewed by senior level staff with the required qualification and competence. Monthly bank statement should be adequately documented and filed to facilitate future review.
- 1.2.1.3 Management should reconcile the bank closing balances to the cumulative cash receipt balance and restate the adjusted cumulative cash receipt balance in the financial statement.
- 1.2.1.4 Also, Management should indicate the titles of the preparer, reviewer and approver of the bank reconciliation statement to determine the level of experience and seniority of the preparer, reviewer and approval.

### **Management's Response**

- 1.2.1.5 *This observation is noted. Management will take the required steps to address said mentioned finding.*

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

- 1.2.1.6 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.1.7 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.2.2 No Evidence of Quarterly Budgeted Performance Reports**

### **Observation**

- 1.2.2.1 Regulation A.1 of the PFM Act of 2009 states that "The Public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies, state owned enterprises and the Government's annual audited accounts".
- 1.2.2.2 During the audit, we observed that Management operated for the period under audit without evidence of Quarterly Budget Performance Reports.

### **Risk**

- 1.2.2.3 In the absence of Quarterly Budget Performance Report, revenue and expenditure may not be reliably measured, this may lead to under receipt of budgeted revenue or over expenditure.

### **Recommendation**

- 1.2.2.4 Management should ensure timely preparation of Quarterly Budget Performance Reports in line with the PFM Act of 2009. Evidence of a Quarterly Budgeted Reports should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.2.2.5 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

- 1.2.2.6 We acknowledge management acceptance of our finding and recommendation. Going forward, management should ensure a monthly budgeted performance report. Therefore, management is in breach of appropriate financial information in line with Regulation A.1 of the PFM Act of 2009.

### **1.3 Internal Control Related Activities**

#### **1.3.1 Withholding and Remittance of Goods/Services Tax**

##### **Observation**

- 1.3.1.1 Section 905(n) of the Revenue Code of 2011 states, "A government agency that makes a payment to a resident in circumstances other than those described in subsections (a) through (i) is required to withhold a portion of the payment as specified in regulations, but not more than 4%".
- 1.3.1.2 Additionally, Section 904(a2) of the Revenue Code of 2011 states, "(2) Income tax withheld on the payee's behalf on a payment or payments made by a person who has a tax withholding obligation under Section 905 is creditable against the payee's advance payments, provided that the payee supplies the payer with a Tax Identification Number, as defined in Section 53, at the time of or before the payment subject to withholding".
- 1.3.1.1 During the audit, we observed that payments made to suppliers on behalf of management were initiated without deduction and subsequent remittance of withholding taxes.

##### **Risk**

- 1.3.1.2 Failure to remit taxes withheld, may deny GoL of much needed tax revenue.
- 1.3.1.3 Management may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.3.1.4 Non-remittance of withholding taxes may lead to overstatement of the cash book and subsequently the financial statements.

##### **Recommendation**

- 1.3.1.5 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.3.1.6 Management should adjust the cash book by the total value of the non-remitted withholding taxes and restate the financial statements with the adjusted cash balance.

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

- 1.3.1.7 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

- 1.3.1.8 We acknowledge Management's acceptance of our findings and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.3.1.9 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

### **1.3.2 Irregularity Associated with Financial Reporting**

#### **Observation**

1.3.2.1 Regulation A.3 (1&2) of the PFM act states that" (1) Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General , the relevant internal auditor or any officers authorized by them by the Minister.

1.3.2.2 (2) A public officer who fails to keep or produce any records under this regulation is in a breach of financial discipline as defined in Regulation A.20.

1.3.2.3 Also, Regulation I.2, PFM Act of 2009 States "Records classified as "accounts" include manual and electronic: (a) Accounting records in the form of books, ledgers, ledger sheets, ledger cards, or machine tabulations; and (b) source documents for the accounting records in the form of vouchers, schedules, returns, bank or any other statements".

1.3.2.4 During the audit, we observed no evidence that Management maintained general ledgers that provided detailed description of subsidiary accounts, balances and their respective transactions.

#### **Risk**

1.3.2.5 The completeness and accuracy of expenditure may not be assured; therefore, the financial statements may be misstated.

1.3.2.6 Management may not fully account for activities of the entity.

#### **Recommendation**

1.3.2.7 Management should ensure that detailed general ledgers are prepared to support figures mentioned in the expenditure report. Periodic reconciliation should be performed between the general ledger and the financial statements. Differences identified should be investigated and adjusted (where applicable) in a timely manner.

1.3.2.8 Management should procure and operationalize a functional accounting software to record all financial transactions of the entity.

1.3.2.9 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before

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

### **Management's Response**

1.3.2.10 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.3.2.11 We acknowledge Management's acceptance of our findings and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.3.2.12 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.3.3 Lack of Approved Policies and Procedures**

### **Observation**

1.3.3.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management mages or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

1.3.3.2 During the audit, we observed that Management did not develop various policies, such as pay-grade, fuel and scratch card distribution, petty cash, scholarship and study leaves to guide its operations.

### **Risk**

1.3.3.3 Failure to develop policies to guide the activities of the Entity may lead to arbitrary decisions that may undermine the LIPO from achieving its objectives.

### **Recommendation**

1.3.3.4 Management should develop, approve and operationalize policies and procedures for the effectiveness and efficiency of the Entity. Evidence of policies and procedures should be adequately documented and filed to facilitate future review.

### **Management's Response**

1.3.3.5 *Management has started implementing some of the findings. For example, Petty Cash and Voucher System in accordance with the PFM Regulations and Laws and PPCC Act and its amendment*

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

1.3.3.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

### **1.3.4 Unverified Salary Record**

#### **Observation**

1.3.4.1 Paragraph P.9 (2) of the Public Finance Management (PFM) Act of 2009 states that, "Payments except for statutory transfers and debt service shall be supported by invoices bills and other documents in addition to the payment vouchers".

1.3.4.2 During the audit, we observed that Management did not provide for inspection several documents such as bank debit instructions, a month payroll, and management pay grade system for the audited period. In the absence of these documentation, the following lapses were observed:

- We observed no evidence of a valid debit instruction of net payroll sent to the bank;
- Management did not maintain nor provide ledgers for total salary expenditure amounting to USD360,079.00.
- Management made salary payments to employees without regard to the attendance listing for the audited period;

#### **Risk**

1.3.4.3 The completeness and accuracy of salary expenditure may be misstated. Absence of relevant documentation to support transactions carried out by Management may not be assured over the accuracy and completeness of the transactions.

#### **Recommendation**

1.3.4.4 Management should ensure that all payroll processing documentation including debit instruction are adequate documented and filed to facilitate future review.

1.3.4.5 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger.

1.3.4.6 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.

1.3.4.7 Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work. Human Resource should initiate periodic spot check to ascertain the accuracy of attendance records.



### **Management's Response**

1.3.4.8 *This observation is noted. Management will take the required steps to address said mentioned observation.*

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

1.3.4.9 We acknowledge Management's acceptance of our findings and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.3.4.10 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.3.5 Internal Audit Unit**

### **Observation**

1.3.5.1 Part J.3 (1-3) 4a-c) of the PFM Regulation of 2009 states that "(1) 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. (3) The Internal Audit Governance Board shall in consultation with the Civil Service Agency appoint for each internal audit unit Director and other personnel required to ensure an effective and efficient internal auditing of the institution concerned".

1.3.5.2 Additionally, Part J.3 (4a-c) of the PFM Regulation of 2009 state that "(4) Subject to the Public Finance Management Act 2009 or any other enactment, an internal audit unit established under sub regulation (1): (a) shall be in accordance with these regulations, and the standards and procedures provided by the Internal Audit Governance Board; (b) shall carry out internal audit of its institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Finance Management Act 2009; the Internal Audit Governance Board standards and procedures; the Government Agency or Government Organization's accounting and auditing instructions; and International Public Sector Accounting Standards, International Organization of Supreme Audit Institutions (INTOSAI) Standards, and Institute of Internal Auditors Standards as adopted by the Government of Liberia; and (c) without prejudice to section 38 (3) and 38 (4) of the Public Finance Act 2009, the report in sub regulation 4(b) shall be submitted to the Head of the Government Agency or Government Organization through the Audit Committee copied to the Auditor General and the Internal Audit Governance Board".

1.3.5.3 During the audit, we observed the following irregularities associated with the Internal Audit function:

- There was no evidence of an Internal Audit Chapter;
- The Internal Audit Unit has operated without Director as required by the PFM Regulation of 2009;
- The Internal Auditor reports were submitted only to the Executive Director and not to those charged with governance (Board Directors) of the audited entity;
- There was no evidence that the Internal Audit Unit had prepared and approved risk base work plan that identified all high-risk areas and measure to mitigate the risks identified.

### **Risk**

- 1.3.5.4 The absence of an Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.
- 1.3.5.5 In the absence of an approved Internal Audit Charter, the independence, objectivity and activities of the department may be impaired. Reporting of Internal Audit activities to the Executive Director may impaired the independence and objectivity of the Internal Audit function and the implementation of the Internal Audit recommendation.
- 1.3.5.6 The absence of an Internal Audit Director may lead to non-compliance with the PFM regulation and impaired leadership and coordination of the Internal Audit Department.

### **Recommendation**

- 1.3.5.7 Management should establish approve and operationalize an Internal Audit chapter that clearly catalog the structure, functions and reporting channel of the Internal Audit Department.
- 1.3.5.8 Management should ensure that the Internal Audit Department is made fully functional evidence by the competitive recrement of qualify and experience director, submission of report to the board of director and preparation of an annual risk base work plan.
- 1.3.5.9 Alternatively, Management should contact the Internal Audit Agency to manage its internal audit function.

### **Management's Response**

- 1.3.5.1 *This observation is noted. Management will take the required steps to address said mentioned observation.*

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

- 1.3.5.2 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.5.3 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.3.6 Irregularity Associated with Fixed Assets Management**

### **Observation**

- 1.3.6.1 V.1 (2a & b) of the PFM Regulations of 2009 states that "The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that:(a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; And (b) inventory levels are at an optimum and economical level".

1.3.6.2 During the audit, we observed the following irregularities associated with the Fixed Asset:

- There was no evidence of a fixed assets Management's Policy;
- That fixed assets were not coded;
- There were not Fixed Assets Register;
- There was no evidence of periodic physical verification of assets by Management;
- There was no evidence of the movement of assets form;

### **Risk**

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

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

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

1.3.6.6 The lack of asset movement log could make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.

### **Recommendation**

1.3.6.7 Management should develop, approve and operationalize a fixed asset Management Policy to regulate fixed assets activities of the entity.

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

1.3.6.9 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.

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

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

1.3.6.12 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.

1.3.6.13 All fixed assets should be coded using unique serial number per class of assets. The Fixed Asset Register should be updated to reflect the code of each asset.

### **Management's Response**

1.3.6.14 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.3.6.15 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.6.16 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.3.7 Risk Assessment Processes**

### **Observation**

1.3.7.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) states "In most cases, the board or heads of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring.

1.3.7.2 The organization makes this assessment by (a) Understanding the risks the organization faces and (b) Gaining an understanding of how senior management manages or mitigates those risks that are meaningful to the organizations' objectives". Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those important areas".

1.3.7.3 During the audit, we observed no evidence that Management has develop a risk assessment process for identifying, analyzing and evaluating organizational risks. Also, there was no evidence that the Entity has a risk management policy to mitigate internal and external risks that could severely impact the achievement of the institution's objectives.

### **Risk**

1.3.7.4 The absence of a risk management policy and processes may lead to Management not being aware of potential risks that may affect the operations of the entity.

1.3.7.5 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby impairing the achievement of the entity's objectives.

### **Recommendation**

1.3.7.6 Management should develop, approve and operationalize a Risk Management Policy to mitigate internal and external risks that may impact the achievement of the entity's objectives.

1.3.7.7 Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.

1.3.7.8 Periodic risk assessment report should be adequately documented and filed to facilitate future review.

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

1.3.7.9 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.3.7.10 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

### **1.3.8 Disaster Recovery Plan**

#### **Observation**

1.3.8.1 According to COSO Internal Control Framework on Control Environment, the Management of an entity should develop a documented Disaster Recovery Plan to provide procedures to be followed in the event of a disaster. The plan would mitigate the loss of transaction data and information. The purpose of the plan is to minimize the effects of service interruption of the operations by:

- Specifying procedures to be followed in the event of a disaster or specific situation, especially measures to be put in place to minimize the effects of disasters;
- Assigning responsibilities to various staff members involved in the implementation of the plan;
- Specifying procedures for the restoration of normal service following a disaster.

1.3.8.2 During the audit, we observed that there was no evidence that Management had put in place a disaster recovery plan to help recover transaction data and information to ensure continuity.

#### **Risk**

1.3.8.3 The failure to establish a disaster recovery plan may result in a complete loss of transaction data and information in the aftermath of disaster.

#### **Recommendation**

1.3.8.4 Management should ensure that a disaster recovery plan is established, approved and operationalized as part of its risk mitigation strategy for easy recovery of transaction data and information in the aftermath of disaster.

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

1.3.8.5 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.3.8.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

## **1.4 Governance Issues**

### **1.4.1 Non- Functional Board of Directors**

#### **Observation**

1.4.1.1 Section 5.4 (a-d) of the Act establishing the Liberia Intellectual Property Office states that "The Board shall have all powers necessary for the proper performance of its functions under this Act and in particular but without prejudice to the generality of the foregoing, the Board shall have powers to: a) control, supervise and administer the assets of LIPO such manner as best promotes the purpose for which LIPO is established; b) determine the provisions to be made for capital and recurrent expenditure and for reserves of LIPO; c) enter into association with other bodies or organizations within or outside Liberia as the Board may consider appropriate and in furtherance of the purpose for which LIPO is established; d) authorizing the opening of a bank account or bank accounts for the funds of LIPO".

1.4.1.2 During the audit, we observed no evidence of a functional Board of Directors as indicative by the absence of periodic meeting minutes and activities reports.

#### **Risk**

1.4.1.3 In the absence of a functional Board of Directors, strategic oversight over Management activities may be impaired, thereby leading to the non-achievement of the Entity's objectives.

#### **Recommendation**

1.4.1.4 Management should *laissez* with the relevant authorities and stakeholders of government to operationalize the Board of Directors. Attendance record and minutes meetings, including strategic decision from the Board of Directors should be adequately documented and filed to facilitate future review.

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

1.4.1.5 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.4.1.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

## 1.4.2 Un-submitted Key Management Personnel Files

### Observation

- 1.4.2.1 Section 5.6 (c-e) of the Act Creating the Liberia Intellectual Property Office state that "c) The Director General shall possess the following minimum qualification and experience:
- i. be at the minimum, a licensed Attorney-At-Law, who has practiced law in Liberia for at least three years, or has a bachelor's degree relating to intellectual property, and has three years" managerial experience in intellectual property; or
  - ii. be a licensed Counsellor-At Law with at least three years managerial experience in intellectual property; or
  - iii. has a master degree in intellectual property with at least three years senior managerial experience in intellectual property. d) The Deputy Director for Industrial Property shall possess the following minimum qualification and experience:
    - i. a bachelor of science degree in any of the physical sciences, engineering, or other technology and a certificate of achievement or its equivalent in industrial property;
    - ii. has a minimum of three years" experience in industrial property. e) The Deputy Director for Copyright shall possess the following minimum qualification and experience:
      - ✓ has a bachelor's degree in Liberal Arts, Management, Economics, Public Administration, Journalism, English or Sociology, and a certificate of achievement or its equivalent in Copyright;
      - ✓ with a minimum of three years" experience in Copyright".
- 1.4.2.2 During the audit, we observed that individuals occupying key positions files were not provided by the human resource department for review and inspection.

### Risk

- 1.4.2.3 The entity may hire individual (s) who do not meet the require qualification and experience to perform assigned task.
- 1.4.2.4 Evidence of performance evaluation, disciplinary action and other administrative decisions may not be available for subsequent decision making.

### Recommendation

- 1.4.2.5 Management should ensure that the unsubmitted files are provided for inspection.
- 1.4.2.6 Management should ensure full personnel records for all employees are adequately documented and filed to facilitate future review.

1.4.2.7 Management should perform periodic review of employees file and regularize discrepancies identified

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

1.4.2.8 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.4.2.9 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.4.3 Strategic Plan**

#### **Observation**

1.4.3.1 According to COSO Internal Control Framework on Control Environment, the Management of an entity should develop a Strategic Plan to provide procedures to be followed in the event of meeting the entity vision, mission and core values. The plan must clearly define where the entity envisages in a specified time frame. For example, three years and/or five years, etc. The purpose of the plan is to guard and measure performance against targeted goals set by management in the execution of its operations by:

- Specifying operational plan to be followed in the event of meeting short term goal;
- Assigning responsibilities to various staff members involved in the implementation of the plan;
- Specifying procedures for the continuity of the normal service following the strategic plan.

1.4.3.2 During the audit, we observed that the Intellectual Property Development Plan (IPDP) was considered by Management as its strategic plan. Inspection of the IPDP further revealed that the document is intended for the use of the World Intellectual Property Organization (WIPO) and is yet to be officially adopted by LIPO as a strategy plan.

#### **Risk**

1.4.3.3 In the absence of a strategic plan, organizational goals, program objectives and actions needed to achieve those goals may be impaired.

1.4.3.4 The Entity resources could be misdirected, thereby leading to the non-achievement of organization objectives and goals.

#### **Recommendation**

1.4.3.5 Management should officially adopt the IPDP as its strategic plan through the required board approval.



1.4.3.6 Alternatively, Management should develop approve and operationalize a strategic plan cataloging essential goals and activities, resources and time line needed for the achievement of the strategic goal.

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

1.4.3.7 *Management acknowledges your observation and it is doing everything possible to address the finding.*

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

1.4.3.8 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.4.4 Establishment of an Audit Committee**

#### **Observation**

1.4.4.1 Part K, Regulation (K.10) of the PFM Regulations of 2009 states that "Head of government agency or government organization shall in consultation with the Internal Audit Governance Board establish and maintain an audit committee for the government agency or organization for which he/she is responsible".

1.4.4.2 During the audit, we observed that Management did not establish an Audit Committee.

#### **Risk**

1.4.4.3 The 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.

1.4.4.4 The absence of an Audit Committee functions/activities may cast doubt over the strategic oversight activities of the Committee.

1.4.4.5 Also, Audit Committee weaknesses in Management Internal Controls could go on detected and corrective actions will not be taken in a timely manner.

#### **Recommendation**

1.4.4.6 Management should establish a functional Audit Committee as part of the Governance structures. This will enable Management to evaluate and ensure that Internal Controls are operating effectively and the recommendations of external auditors are implemented.

1.4.4.7 Meeting minutes and periodic report of the Audit Committee should be adequately documented and filed to facilitate future review.

### **Management's Response**

1.4.4.8 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.4.4.9 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4.4.10 However, Management is in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009.

## **1.5 IT Related Issues**

### **1.5.1 IT Continuity Plans**

#### **Observation**

1.5.1.1 DS 4.2 of COBIT 4.1, Develop IT continuity plans based on the framework and designed to reduce the impact of a major disruption on key business functions and processes. The plans should be based on risk understanding of potential business impacts and address requirements for resilience, alternative processing and recovery capability of all critical IT services. They should also cover usage guidelines, roles and responsibilities, procedures, communication processes, and the testing approach.

1.5.1.2 During the audit, our review of the system revealed that there was no evidence of an approved IT Continuity Plan established by Management to aid the recovery of transaction data and information and to ensure business processing and recovery capability.

#### **Risk**

1.5.1.3 The failure to establish a Business Continuity Plan may result in loss of transaction data and information in a situation where the impact of a major disruption on key business functions and processes occur.

#### **Recommendation**

1.5.1.4 Management should develop approve and operationalize an IT continuity plan as part of its risk mitigation strategic. This may minimize the impact of disruption on critical business function and recovery capability of all services.

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

1.5.1.5 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.5.1.6 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.5.2 Environmental Control**

#### **Observation**

1.5.2.1 DS 12.4 of COBIT 4.1, Protection against Environmental Factors Design and implement measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment.

1.5.2.2 During the audit, we observed that the server at the IT Department was not separated from the siting facility and document storage of the IT staff.

1.5.2.3 We also observed that the air conditioner has a low capacity, and that the Entity has limited specialized equipment and devices to monitor and minimized disaster. Additionally, the following lapses were observed:

- Out-dated Fire extinguishers
- Low capacity Air conditioning systems (especially in server room)
- There was no evidence of fire drill been conducted by Management.

#### **Risk**

1.5.2.4 Failure to separate staff workstation from server room, in the event of disaster this may lead to injury of personnel and damaged of equipment. In the situation of a disaster, the grouping of IT staffer in the same facilitate with the server may result into potential safety hazard.

1.5.2.5 The lack of fire safety equipment and fire drill may lead to management unpreparedness to response to hazard caused by fire outbreak. In addition, failure to install or maintain fire precaution measures, and practice fire drills regularly may put both equipment and personnel at risk.

#### **Recommendation**

1.5.2.6 Management should separate staff workstation from sever room. The Air conditioning system in the server room should be enhance to the require temperature.

1.5.2.7 Management should facilitate the procurement of a fire suppression system (fire alarms, sprinkler, fire extinguishers etc. Additionally, Management should conduct routing training of staff of usage of equipment and response action during fire outbreak.

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

1.5.2.8 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.5.2.9 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.5.3 IT's Security Policy**

#### **Observation**

1.5.3.1 According to DS5 of COBIT 4.1: The need to maintain the integrity of information and protect IT assets requires a security management process, this process includes establishing and maintaining IT security roles and responsibilities, policies, standards, and procedures. Security management also includes performing security monitoring and periodic testing and implementing corrective actions for identified security weaknesses or incidents. Effective security management protects all IT assets to minimize the business impact of security vulnerabilities and incidents.

1.5.3.2 During the audit, we observed no evidence of an approved IT security policy to maintain the integrity of information and identified security weaknesses. In addition, our review revealed that employees are not password protected in using the internet; they have access to the internet by means of the server password. This means that the employees have an open-source access to the internet.

#### **Risk**

1.5.3.3 The absence of an approved IT security policy may impair data privacy, integrity and security.

#### **Recommendation**

1.5.3.4 Management should develop, approve and operationalize an IT security policy to control and safeguard the physical hardware, data processes, documentation and personnel of the entity and enhance the organization objective.

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

1.5.3.5 *Management acknowledges your observation. Management will take the required steps to address the finding.*

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

1.5.3.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

**ANNEXURE**

Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21

Unreported Expenditure					Annexure 1	
No.	DATE	PAYEE	REFERENCE	DESCRIPTION	CHEQUE No	AMOUNT USD
1	24-Jul-20		001MSCD202060030	MISCELLANEOUS  LB DI CLRG IFO RENT -A CAR INTERNATIONAL DD 07-24-20	98531	3,200.00
2	6-Aug-20		002ACIN202190002	CHEQUE CLEARING	98532	1,970.00
3	12-Aug-20	GARMAI KOKOI	001CQWL202250069	CHECK WITHDRAWAL	98533	2,500.00
4	17-Aug-20		001ZATM202300008	DIRECT DEBIT		39,000.00
5	18-Aug-20		002CHARUSD000001	Charges For Direct Debit/Credit		10.00
6	22-Aug-20	GARMAI KOBOI	001CQWL202350048	CHECK WITHDRAWAL	98534	2,000.00
7	30-Oct-20		002ACIN203040009	CHEQUE CLEARING	98537	6,930.00
8	2-Nov-20		002ACIN203070001	CHEQUE CLEARING	98536	3,000.00
9	3-Nov-20		15504203080004	OPUT-5505 TT IFO LIBERIA INTERLECTUAL AYAIMO MEDIA LLC		1,206.13
10	26-Nov-20	ERIC G. CLINTON	002CQWL203310005	CHECK WITHDRAWAL	98538	350.00
11	4-Dec-20	GARMAI KOBOI	001CQWL203390023	CHECK WITHDRAWAL	98541	2,080.00
12	4-Dec-20		002ACIN203390008	CHEQUE CLEARING	98539	4,820.00
13	10-Dec-20		003LOCH203450005	Deposit 00098540 From Account Number 002USD21515363402To Account Number 001USD21200403301/ SLIP #1517094	98540	625.00
14	13-Jan-21		002ACIN210130012	CHEQUE CLEARING	98544	842.40
15	12-Feb-21		002ACIN210430005	CHEQUE CLEARING	98545	561.60
16	9-Mar-21	GARMAI KOBOI	001CQWL210680061	CHECK WITHDRAWAL	98549	651.91
17	11-Mar-21	COPYRIGHT SOCIETY	001MSCD210700050	MISCELLANEOUS  CLRG/CK#00098547 PRESENTED @ CLRG IFO COPYRIGHT SOCIETY	98547	1,748.00
18	17-Mar-21	LION STATIONERY STORE	001MSCD210760011	MISCELLANEOUS  LB DI CK#00098548 REC'D @ CLRG IFO LION STATIONERY STORE DD 03- 17-21	98548	2,745.00
19	19-Mar-21	JOSEPH S.KB PAMBU	002CQWL210780509	CHECK WITHDRAWAL	98550	1,410.00
20	23-Mar-21	GARMAI KOBOI	001CQWL210820026	CHECK WITHDRAWAL	98552	605.00
21	23-Mar-21	GARMAI KOBOI	001CQWL210820027	CHECK WITHDRAWAL	98551	470.00
22	1-Apr-21	alexander c HODGE	002CQWL210910081	CHECK WITHDRAWAL	98553	1,173.00
23	6-Apr-21	GARMAI KOBOI	001CQWL210960038	CHECK WITHDRAWAL	98555	2,000.00
24	6-Apr-21	ALFORD STEVE WIGGINS	001CQWL210960063	CHECK WITHDRAWAL	98554	600.00
25	21-Apr-21	MARMAI KOBI	001CQWL211110089	CHECK WITHDRAWAL	98559	280.00
26	21-Apr-21	MARMAI KOBI	001CQWL211110091	CHECK WITHDRAWAL	98560	1,050.00
27	23-Apr-21	JOSEPH S. K. PAMBU	003CQWL211130036	CHECK WITHDRAWAL	98561	470.00
28	4-May-21	OLIVIA S.D. KUMEH	001CQWL211240072	CHECK WITHDRAWAL	98564	1,000.00
29	11-May-21	JOSEPH SK PAMBU	002CQWL211310092	CHECK WITHDRAWAL	98565	470.00
30	26-May-21	ALFORD STEVE WIGGINS	001CQWL211460061	CHECK WITHDRAWAL	98567	250.00
31	3-Jun-21	GAIMAI KOBOI	001CQWL211540036	CHECK WITHDRAWAL	98568	570.00
			<b>TOTAL</b>			<b>84,588.04</b>

### Annexure 2: Expenditure Lacking Adequate Supporting Documentation

DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
11/25/2020	Thomas Kiazolu, Jr	Purchase of drinking water	10.00	
11/9/2020	Procurement	Payment extension cord	30.00	
11/9/2020	Mohammed Kiazolu	Electrical work & material purchase	50.00	
11/9/2020	Musue K. Gbandala	Transfer of money		660.00
11/6/2020	Musue K. Gbandala	Transportation for electrician		500.00
11/4/2020	Vaylah C. Sirleaf	Compensation for the month of October 2020	100.00	
11/4/2020	Harris L. Wainpa	Computer Accessories		500.00
11/2/2020	Thomas Kiazolu, Jr	Purchase of drinking water	15.00	

Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21

DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
11/9/2020	Garmai Koboï	Purchase of pipe, water hoses and transportation	110.00	
11/10/2020	Harris L. Wainpa	Purchased of connectors	10.00	
11/19/2020	Garmai Koboï	Feeding for workshop	225.00	
11/20/2020	Zaza Quaqua	purchase of certificate sheet	10.00	
11/19/2020	Garmai Koboï	purchase of cartridge, note pad	102.00	
11/19/2020	Zaza Quaqua	Photocopy of workshop document		500.00
11/30/2020	Musue K. Gbandala	Transportation to MFDP	5.00	
11/9/2020	Harris L. Wainpa	Purchase of internet subscription	140.00	
10/15/2020	Jamus P. Bannah	Transportation	5.00	
11/2/2020	Musue K. Gbandala	Compensation for Morris Kanneh for oct 2020	75.00	
11/2/2020	Musue K. Gbandala	Application for coding	20.00	
12/7/2020	Dashword D. Hill	Transportation to commence		500.00
12/1/2020	Thomas Kiazolu,Jr	Transportation		500.00
12/2/2020	Musue K. Gbandala	Superntend LIPO payroll	20.00	
12/3/2020	Musue K. Gbandala	Compensation for garbage collection	10.00	
12/4/2020	Morris Kanneh	Salary for the month of November	75.00	
12/4/2020	Musue K. Gbandala	compensation for the security for nov 2020	50.00	
12/4/2020	Garmai Koboï	Printing of certificate	60.00	
12/7/2020	Dashword D. Hill	Purchase of bathroom lock	6.00	
12/11/2020	Thomas Kiazolu,Jr	Purchase of drinking water	10.00	
12/16/2020	Linda Dino	Connection Fee	40.00	
12/18/2020	Boniface S. Mannah	Purchase of envelop	10.00	
12/20/2020	Garmai Koboï	Purchase of fuel	10.00	
12/27/2020	Musue K. Gbandala	Compensation to Morris for Dec. 2020	75.00	
12/27/2020	Musue K. Gbandala	Compensation to Vaylah for Dec. 2020	100.00	
12/27/2020	Musue K. Gbandala	Gratuaty to security	50.00	
7/21/2020	Garmai Koboï	Purchasing of 3 breakers, transportation	60.00	
7/1/2020	LIPO	Purchase of generator relay	25.00	
7/3/2020	LIPO	Purchase of fuel	20.00	
7/6/2020	Thomas Kiazolu,Jr	Purchase of drinking water	10.00	
7/6/2020	LIPO	Purchase of fuel	20.00	
7/10/2020	Garmai Koboï	To settle internet connection	140.00	
7/10/2020	LindoM. Dindo	Purse	100.00	
7/10/2020	LindoM. Dindo	Maintenance obligation for generator	75.00	
7/13/2020	Eric G. Clinton	Purchase of printer ink	65.00	
7/13/2020	Eric Annor	Purchase Gas	5.00	
7/22/2020	Morris Kanneh	compensation to Morris for July 2020	75.00	

Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21

DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
7/24/2020	Garmai Kobo	Purchase of universal remote	40.00	
7/29/2020	James Weah	Payment for garbage collection	5.00	
7/29/2020	Musue K. Gbandala	Transportation to go to CSA		500.00
1/13/2021	Morris Kanneh	Payment for plastic bucket	13.00	
1/13/2021	Harris L. Wainpa, Jr	Subscription	140.00	
1/11/2021	Thomas Kiazolu, Jr	Purchase of Drinking water	10.00	
1/6/2021	Linda M. Dindo	Scratch Card	5.00	
1/25/2021	Musue K. Gbandala	Compensation for Morris for the Jan. 2021	75.00	
1/25/2021	Musue K. Gbandala	Transportation	5.00	
1/25/2021	Thomas Kiazolu, Jr	Purchase of Drinking water	10.00	
1/27/2021	Garmai Kobo	Payment for soft drink, water	51.00	
1/27/2021	Administration	Garbage Collection	10.00	
1/28/2021	Joetta Tarpeh	General meeting refreshment		18,850.00
1/13/2021	James S. Roberts	Transportation	10.00	
1/21/2021	Morris Kanneh	Payment for flash light	15.00	
2/17/2021	James P. Bannah	Car rental	295.00	
2/25/2021	Musue K. Gbandala	Compensation for Morris Feb. 2021	75.00	
2/25/2021	Musue K. Gbandala	Payment for janitorial service Feb.	10.00	
2/25/2021	Musue K. Gbandala	Compensation for Morris Feb. 2021	45.00	
2/25/2021	Musue K. Gbandala	Compensation for Vaylah feb 2021	100.00	
2/25/2021	James P. Bannah	Assessment for TISC ICT logistics		500.00
2/25/2021	Musue K. Gbandala	Reimbursement to DDG		3,400.00
2/18/2021	James S. Roberts	Transportation		400.00
2/23/2021	Thomas Kiazolu, Jr	Purchase of drinking water	10.00	
2/25/2021	Musue K. Gbandala	Gratuaty to security	40.00	
2/5/2021	Linda Dino	Purchase of electric wire	85.00	
2/3/2021	Olivia S.D. Kumeh	purchase of water	5.00	
2/2/2021	Musue K. Gbandala	Salary Advance for Morris Kanneh	30.00	
3/3/2021	Musue K. Gbandala	Compensation for March	40.00	
3/31/2021	Musue K. Gbandala	Compensation to Morris for M arch 2021	75.00	
3/31/2021	Musue K. Gbandala	Compensation to Vaylah Sirleaf for March 2021	100.00	
3/30/2021	Lindo Dindo	Electrical maintenance	25.00	
3/17/2021	Garmai Kobo	Purchase of floor mat		5,700.00
3/11/2021	Miatta L. Kamara	Installation of iron gate	40.00	
4/8/2021	Harris L. Wainpa, Jr	Subscription	145.00	
4/29/2021	Musue K. Gbandala	compensation for vaylah & Morris	235.00	
4/27/2021	James Weah	Garbage Collection	10.00	
5/27/2021	Thomas Kiazolum Jr	Resolving electrical problem		2,000.00
5/24/2021	Vaylah C. Sirleaf	Compensation for Month of May	100.00	
5/26/2021	Morris Kanneh	Salary request	75.00	



Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21

DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
5/6/2021	William P. Tokpah	Purchase of fuel		3,200.00
5/6/2021	Olivia Kumah S	Purchase of fuel		1,200.00
5/6/2021	William P. Tokpah	Purchase of fuel		3,300.00
5/4/2021	William P. Tokpah	Purchase of fuel	20.00	
5/30/2021	William P. Tokpah	Purchase of fuel	30.00	
5/4/2021	William P. Tokpah	Purchase of fuel	40.00	
5/3/2021	William P. Tokpah	Purchase of fuel	10.00	
5/4/2021	Harris L. Wainpa ,Jr	Subscription K3	146.00	
6/29/2021	Musue K. Gbandala	Garbage Collection	10.00	
5/28/2021	Musue K. Gbandala	Compensation for Morris for the Month of June 2021	75.00	
5/28/2021	Musue K. Gbandala	Compensation for Vayleh for the Month of June 2021	100.00	
6/8/2021	DDG	Lunch for DDG & RG	10.00	
6/8/2021	Harris L. Wainpa,Jr	Subscription Fees	146.00	
6/2/2021	Thomas Kiazolu,Jr	Electrical work	20.00	
10/1/2020	James S. Roberts	Garbage Collection	10.00	
10/1/2020	Thomas Kiazolu,Jr	Purchase of drinking water	10.00	
10/2/2020	Alfred Konneh	Compensation for Morris for Sept. 2020	75.00	
10/5/2020	Harris Lawobah Waniao,Jr	ID Card payment	170.00	
10/9/2020	Harris Lawobah Waniao,Jr	Subscription k3	160.00	
10/28/2020	Morris Konneh	Payment for Morris as debt own for Oct.	75.00	
8/10/2020	Harris L. Wainpa jr.	Internet subscription, extension cord and flash drive	170.00	
8/5/2020	Alfred S. Wiggins	Freon for( 3) air conditioner , capacitor and workmanship	130.00	
8/6/2020	Kessely Mezzeh	Transportation to Paynesville City, Nyanneh's Company		600.00
8/6/2020	Kessely Mezzeh	Payment for one black refill ink	10.00	
8/7/2020	Mr. Prince E. Decker	Payment for Superintendent fees for Notergation of documents	50.00	
8/7/2020	Kessely Mezzeh	Transportation to plank field police Depot Paynesville, red-light, Liberia National Police Capitol Hill perfect store water street	5.00	
8/10/2020	Linda M. Dindo	Repairing of LEC wire	40.00	
8/10/2020	Thomas K. Kiezolu	For the electrical work in the account office	50.00	
8/11/2020	Thomas K. Kiezolu	Workmanship for the work of the account office	10. 00	
8/13/2020	Edmon B.John	Payment represents purchase of 2 light bulb and a door celliner	45.00	

*Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21*

<b>DATE</b>	<b>PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT (US\$)</b>	<b>AMOUNT (L\$)</b>
8/11/2020	Thomas K. Kiazolu	payment for office water	10.00	
8/14/2020	James S. Roberts	Transportation to CSA & NASSCORP		980.00
8/11/2020	James S Roberts	Transportation to CSA & NASSCORP Andrew S. Quack pension process		400.00
8/5/2020	James S. Roberts	Retiree compensation for Service rendered	170.00	
8/25/2020	Garmai Kobor	Purchasing of quart of paint & transportation for dispatching of procurement plan to PPCC	5.00	
8/25/2020	Morris Karmeh	Salary for the month of August 2020	75.00	
8/20/2020	James S. Roberts	Transportation to CSA & NASSCORP (Andrew S. Quaye) pension	5.00	
8/25/2020	Linda M. Dindo	Cleaning of dirt	10.00	
8/21/2020	Samuel Kwewu	Transportation to come Saturday to work, installation of steel door	5.00	
8/25/2020	Harris L. Wainpa jr.	Payment for purchase of the internet crimping tool kit	100.00	
8/28/2020	James S. Roberts	Payment represents transportation to CSA & NASSCORP	5.00	
8/27/2020	Linda M. Dindo	Payment represent five dollars for scratch card to call client	5.00	
8/28/2020	Thomas Kiazolu	Payment represents purchasing of safe drinking water	10.00	
9/18/2020	Edmon B. John	Payment for notarization of document	10.00	
9/16/2020	Linda M. Dindo	Payment represents door carpet and repairing of door lock	81.00	
9/15/2020	James S. Roberts	Payment represents transportation to CSA & NASSCORP	5.00	
9/16/2020	Thomas Kiazolu	Payment for water	10.00	
9/18/2020	Thomas Kiazolu jr	Payment for cleaning & transportation	50.00	
9/2/2020	Linda M. Dindo	Payment for transportation for workers renovation of DDG office	15.00	
9/10/2020	Eric G. Clinton	Payment for one jet ink #123 HP Printer, printing of certificate	60.00	
9/9/2020	Linda M. Dindo	Payment represents purchasing of gasoline	30.00	
9/9/2020	Karmai Kotoi	Payment represents transportation and purchasing of buckets	24.00	
9/7/2020	Harris L. Wainpa jr.	Payment represents power cord nema (POE Adapter)	70.00	
9/3/2020	Linda M. Dindo	Payment for gasoline to put into generator	25.00	
9/4/2020	Harris L. Wainpa jr.	Payment represents purchase of cable channel pipe and RJ45 Connection for biometric machine installation &	80.00	

Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21

DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
		workmanship		
9/9/2020	Miatta L. Kamara	Payment represents bathroom items and cleaning materials	20.00	
10/12/2020	Alfred Kannah	Payment represents bereavement package to Michael Wolubah	100.00	
9/30/2020	Vaylah C. Sirleaf	Payment represents compensation for the month of September	100.00	
9/30/2020	Procurement Officer	Payment represents printing of LIPO Certificate acceptance notice offer	60.00	
9/22/2020	James S. Roberts	Payment represents urgent call to CSA & NASSCORP		500.00
9/22/2020	Thomas Kaizolu	Payment represents purchase of floormat, plastic cement and salt(IT, DG Offices & ware house		5,250
9/23/2020	Garmai Kobor	Purchase for the picture of the president, vice president for the conference room	60.00	
9/18/2020	Bob S. Paye	Payment represents plumbing work	65.00	
9/22/2020	Musue K. Gbandale	Payment to facilitate document processing	10.00	
9/7/2020	Harris L. Wainpa jr.	Payment for September K3 internet subscription	140.00	
<b>TOTAL</b>			<b>6,929.00</b>	<b>49,940.00</b>

**Annexure 3: Payment Made to Staff on Behalf of Third-Party**

No.	DATE	PAYEE	DESCRIPTION	AMOUNT (US\$)	AMOUNT (L\$)
1	11/9/2020	Garmai Koboi	Purchase of pipe, water hoses and transportation	110.00	
2	11/19/2020	Garmai Koboi	Feeding for workshop	225.00	
3	11/19/2020	Garmai Koboi	purchase of cartridge, note pad	102.00	
4	7/10/2020	LindoM. Dindo	Purse	100.00	
5	7/10/2020	LindoM. Dindo	Maintenance obligation for generator	75.00	
6	7/13/2020	Eric G. Clinton	Purchase of printer ink	65.00	
7	7/24/2020	Garmai Koboi	Purchase of universal remote	40.00	
8	2/17/2021	James P. Bannah	Car rental	295.00	
9	2/5/2021	Linda Dino	Purchase of electric wire	85.00	
10	3/30/2021	Lindo Dindo	Electrical maintenance	25.00	
11	9/10/2020	Eric G. Clinton	Payment for one jet ink #123 HP Printer, printing of certificate	60.00	
12	9/7/2020	Harris L. Wainpa jr.	Payment represents power cord nema (POE Adapter)	70.00	
13	9/22/2020	Thomas Kaizolu	Payment represents purchase of floormat, plastic cement and salt (IT, DG Offices & ware		5,250

*Management Letter on the Financial Statements Audit of  
The Liberia Intellectual Property Office (LIPO)  
for the fiscal period 2020/21*

<b>No.</b>	<b>DATE</b>	<b>PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT (US\$)</b>	<b>AMOUNT (L\$)</b>
			house		
14	9/23/2020	Garmai Kobor	Purchase for the picture of the president, vice president for the conference room	60.00	
15	9/7/2020	Harris L. Wainpa jr.	Payment for September K3 internet subscription	140.00	
<b>TOTAL</b>				<b>1,452.00</b>	<b>5,250.00</b>