



Promoting Accountability of Public Resources

Office of the Auditor General
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GAC/OAG/PGJ/528/jny/LEITI/2021

October 10, 2022

Mr. Jeffrey N. Yates

Head of Secretariat

Liberia Extractive Industry Transparency Initiative (LEITI)
Old Budget Bureau Road-Executive Mansion
Monrovia, Liberia

Dear Mr. Yates:

REF: ENGAGEMENT LETTER -AGREED-UPON PROCEDURES

Purpose of Letter

We are pleased to confirm our understanding of the services we are to provide for the LEITI Secretariat. This letter will establish the nature and limitations of our services and the various responsibilities and other terms of the engagement.

Requested Procedures and Responsibilities

We agree to apply procedures to the Liberia Revenue Authority (LRA) and Ministries and Agencies (MACs) Reporting Templates on the assessments, billings, and collections of revenues by the LRA and M&As from concessionaires and private companies operating in the oil and gas, mining, agriculture, and forestry sectors for the years ending June 30, 2020, and June 30, 2021. This shall be conducted in keeping with the AUP, Section 4.1 (b) of the LEITI Act of 2009, and the mandate of the Auditor General as provided for under Part 2, Section 2.1.3 of the GAC Act of 2014.

These procedures will be applied to report our findings due to the procedures performed. The specified parties have agreed to the procedures we will perform for this engagement-LEITI Secretariat and the Office of the Auditor-General, RL. These agreed-upon procedures are enumerated as follows:

Agreed-upon Procedures

General:

1. We will agree to verify/substantiate amounts reported on the LEITI Templates with the supporting documentation of the LRA and MACs for the Fiscal Periods July 1, 2019- June 30, 2020 and July 1, 2020 – June 30, 2021.
2. We will obtain and document an understanding of LRA's and MACs' internal controls surrounding assessments, billing and collections of revenues, safeguarding revenues collected, and reporting control weaknesses.

3. We will inquire from those charged with governance in keeping with the mandate of the AG if any instances indicating any fraud, illegal acts, or noncompliance, and determine that LRA or MACs have taken appropriate action, including implementing controls to minimize the risk that fraud, illegal acts, or noncompliance will reoccur.

Revenues:

4. Verify that amounts reported by the LRA as receipts from extractive companies have been duly collected and lodged at the CBL;

5. Verify that dollar amounts reported by LRA and MACs as collected funds represent the amount due to the GOL stipulated in each extractive company contract for the period under review.

Compliance:

1. The information regarding amounts received is complete and faithfully extracted from the Agency's accounting records.

2. All the amounts paid/received are supported by genuine flag receipts or substantiated by documentary evidence

3. The amounts received by the LRA and MACs are payments made from July 1, 2019 – June 30, 2020 and July 1, 2020- June 30, 2021

4. The classification of amounts received on each line is accurate and does not include amounts due to be reported on other lines

5. The amounts received only reflect transactions with the TIN contemplated in this report

6. The amounts received only include amounts received by the LRA and MACs

7. The accounts of the Agency on which the figures are based are unaudited, and any attestation findings would be based on the agreed-upon procedures performed by the GAC.

Applicable Standards

We will conduct our engagement under the International Standard on Related Services (ISRS) 4400. The parties listed above are solely responsible for the sufficiency of the agreed-upon procedures for this exercise. Therefore, we make no representation regarding the adequacy of these procedures for the specified parties or any other purpose.

Reporting on the Agreed-Up Upon Procedures

We will submit a written report describing the procedures and the findings of the procedures performed. The agreed-upon procedures are not designed to constitute an audit or a review of the LRA and M&As accounting records. Also, the agreed-upon procedures are not designed to constitute an examination or a review of LRA's and M&As compliance with applicable laws.

Therefore, we will not express reasonable or limited assurance on these matters. We have no obligation to perform any procedures beyond those agreed to by the specified parties as enumerated in this letter of engagement. If, for any reason, we are unable to complete the procedures, we will not issue a report as a result of this engagement.

Report Distribution

This report will be intended for use by and restricted to the use of the specified parties as identified above, and our report will contain such restricted-use language. Per the GAC Act of 2014, we are required to report significant deficiencies, material weaknesses, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements or abuse that come to our attention during our agreed-upon procedures that warrant the attention of those charged with governance.

You will be allowed to review a report draft and provide a response to any exceptions to be included in the final report.

Documentation Ownership and Retention

The documentation for this engagement is the property of the GAC and constitutes confidential information. If requested, access to such documentation will be provided under the supervision of the LEITI Office. Furthermore, upon request, we may provide copies of selected documentation to the Public Account Committee (PAC), which may intend or decide to distribute copies of information contained therein to others, including other governmental agencies.

We agree to retain our documentation for at least five (5) years from the date of our report.

Management Responsibility

Our engagement will be conducted on the basis that LRA and MACs' authorities acknowledge and understand that they have the responsibility:

- A. For the design, implementation, and maintenance of internal control relevant to their Entities' accounting records, accuracy and completeness of the LEITI Reporting Templates, and compliance with applicable laws and regulations;
- B. For selecting and determining the suitability and appropriateness of the criteria upon which the accounting records and Reporting Templates will be evaluated;
- C. For compliance with applicable laws and regulations;
- D. To provides us with:

- 1) Access to all information of which management is aware that is relevant to the LRA and MACs' accounting records, Reporting Templates, and compliance such as records,
- 2) Documentation and other matters (authorities are responsible for the accuracy and completeness of such information.);
- 3) Additional information that we may request from management to perform the agreed-upon procedures; and
- 4) Unrestricted access to persons within the entity from whom we determine it necessary to obtain attest evidence.

Management Representation

As part of our engagement, we will request from authorities and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures.

Engagement Timing and Staff

The Auditor-General is in partnership with the Heads of LEITI, LRA, and MACs in rendering the services specified in this letter. The A.G. is responsible for supervising the engagement and signing the report.

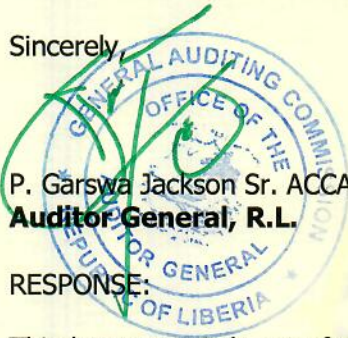
We plan to begin our Agreed-upon Procedures for the fiscal years July 1, 2019- June 30, 2020 and July 1, 2020—June 30, 2021 on October 15, 2022 and unless unforeseeable problems are encountered, the engagement should be completed by January 27, 2023.

Mr. Jeffrey N. Yates
Head of Secretariat
Liberia Extractive Industry Transparency Initiative (LEITI)
October 10, 2022
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Agreement of Terms

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangement for our engagement, including our respective responsibilities. If you have questions, please let us know. We appreciate the opportunity to be of service to you and look forward to working with you and your personnel.

Sincerely,


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

RESPONSE:

This letter correctly sets forth our understanding and acknowledgment of the Agreed-Upon Procedures. Sign on behalf of the LEITI Secretariat by:

Official's Signature: _____

Printed Name: _____

Date: _____