

# COLLECTION OF THE TAX DUTIES AT THE ROBERTS INTERNATIONAL AIRPORT

VOLUME 5  
APPENDICES

*“This report was financed from the European Development Fund and is submitted by Ernst & Young for the consideration of the European Commission and the Government of Liberia. The views expressed in the report are those of the Consultant and do not necessarily reflect those of the European Commission or of the Government of Liberia”*

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## PERSONS CONTACTED OR INVOLVED IN THE AUDIT

Name Of Person	Position/ Designation	Institution/ Company
Charles Bennie	Commissioner	Bureau of Customs and Excise
Mahn Walpoe	Deputy Commissioner Operations	Bureau of Customs and Excise
William Kettor	Deputy Commissioner Administration	Bureau of Customs and Excise
Joseph Tarlue	Chief Collector	Bureau of Customs and Excise
Jessy Mulbah	Senior Revenue Analyst	Ministry of Finance
Cecilia Dixon-McGill	Director	Bank Payment Slip (BPS), Ministry of Finance
Pennoh W. Bestman	Coordinator	Large Taxpayers Unit, Ministry of Finance.
Toga Nimely	Assistant Coordinator	Large Taxpayers Unit, Ministry of Finance
William Yorke	Chief Collector	Custom House - RIA
Joseph Ledlum	Chief Examiner	Customs House - RIA
D. Momo Karmo	Chief Ministerial	Customs House - RIA
Moses Kollie	Cashier	Customs House - RIA

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WORK PROGRAMME AT THE ROBERTS INTERNATIONAL AIRPORT  
CUSTOM HOUSE**

Detailed Audit Review Steps	
1.	<p><b>System documentation:</b></p> <ul style="list-style-type: none"> <li>• Obtain or sketch the organogram of the Customs at RIA.</li> <li>• Review the reporting lines, roles and responsibilities.</li> <li>• Check if there is adequate segregation of duties.</li> <li>• Obtain the details of the staff in the following order if available: <ul style="list-style-type: none"> <li>○ their respective grades</li> <li>○ Qualifications.</li> <li>○ Number of years of experience</li> <li>○ Sexes</li> </ul> </li> </ul>
2.	<p>Document the functions of the various Units/Sections and sub-sections. These include:</p> <ul style="list-style-type: none"> <li>▪ Administration</li> <li>▪ Wharfinger – Examination, Delivery &amp; Boarding if applicable at the RIA Collectorate</li> <li>▪ Ministerial – Assessor’s division (Import specialists)</li> </ul> <p>Document the job descriptions of the various officials noting if there are any duplications and conflicts in function.</p>
3.	<p>Obtain an understanding of the Custom procedures and processes at the Sectional level. Remember that internal control covers all the methods, procedures and organizational arrangements adopted with an entity to ensure as far as practicable the safeguarding of assets, accuracy and reliability of the accounting records and the promotion of operational efficiency and adherence to management policies. Internal control comprise :</p> <ul style="list-style-type: none"> <li>- Internal accounting controls</li> <li>- Management controls</li> <li>- Internal audit if any.</li> </ul>

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	<b>Detailed Audit Review Steps</b>
4.	<p>Document the Billing Process of the Goods &amp; Service Tax (GST) with respect to imported goods at the Airport.</p> <ul style="list-style-type: none"> <li>• Note the accounting records used for the billing.</li> <li>• Check the distribution of these records.</li> <li>• Review selected Manifests and Bill of Lading</li> <li>• For selected entries agree Bill of Entry (Declaration) to Manifests for the month of March 2004.</li> <li>• Review the flow of information to build up the invoice.</li> <li>• Review the recording process noting the documentation involved.</li> <li>• Review the in-built management and internal controls in place.</li> <li>• Note any reports generated on a daily, monthly and annual basis.</li> </ul>
5.	<p><b>Test of Details - Billing</b></p> <p>Obtain or prepare the listing of entries for the month and for these details test the following:</p> <ul style="list-style-type: none"> <li>- Agree these entries to the ledgers or record books if any.</li> <li>- Check the Tax Kind and ensure the resultant rate in the tax code is applied.</li> <li>- Examine for authorization</li> <li>- Verify for supporting documents</li> <li>- Review the computations on the Billings</li> <li>- Check mathematical accuracy</li> </ul>
6.	<p><b>Document the Collection Processes – Bank Payment Section at the Ministry of Finance</b></p> <ul style="list-style-type: none"> <li>• Note the Collection Points at the Airport</li> <li>• Safeguarding the Assets</li> <li>• Accounting records used.</li> <li>• Distribution of the records.</li> <li>• Payment and banking procedures.</li> <li>• Regularity of banking.</li> <li>• Reports generated on a daily, monthly and annual basis.</li> </ul>

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	<b>Detailed Audit Review Steps</b>
7.	<b>Collection Processes – Visit the Bank Payment Section at the Ministry of Finance</b>  For selected entries from the ports verify the following: <ul style="list-style-type: none"><li>- Full amounts were paid.</li><li>- Appropriate documentation of entries was made.</li><li>- Appropriate recording were made and on a timely basis.</li><li>- Check the regularity of the reconciliation between the BPS Section and the Inspection Section. Note how outstanding items are reconciled.</li></ul>
8.	Trace selected payments to the Central Bank of Liberia's monthly statements.
9.	Agree collections to the monthly submissions made to the Revenue Section of the Ministry of Finance via the Bureau of Custom Commissioner's Office.
10	Document the relationship with BIVAC International and others, if any.
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**CORRESPONDENCE TABLE BETWEEN THE TERMS OF REFERENCE AND THE TABLE OF CONTENTS OF THE DETAILED REPORT**

	<b>RIA report</b>	<b>Tax revenues report</b>
<b>Requested procedure / information as per ToR</b>	<b>Section in Volume 2</b>	<b>Section in Volume 4</b>
Review the existing legislation creating these entities, determining their clarity, relevance and sufficiency	5.1 and 5.2	5.1
Review the organizational structure of each entity, determining its suitability and adequacy, including management roles and responsibilities	5.6, 6.1	6.1
Assess the human resource capital and determine the adequacy of the quantity and quality of key personnel categories, with particular linkage to skills and competencies	6.10	
Identify and assess external linkages and inter agency consultation and co-ordination in relation to the mechanisms and processes employed, particularly in setting and adhering to national fiscal guidelines and priorities	5.5	
Assess and determine the adequacy of the planning mechanism within each entity, especially as it relates to setting institutional goals, developing workplans, priority setting and mobilization and allocation of resources	6.7	
Assess the internal sub systems (communications, logistics, maintenance, procurement etc) and assess their efficiency and effectiveness	6.2 to 6.5 and 6.11	6.2 to 6.6
Assess and determine the quality of the working environment (offices, logistics, utilities, power, training, etc) and make recommendations for change	6.12 and 6.10.3	
Review the Accounting and Management Controls of each entity to ensure proper adherence to generally accepted accounting and management principles and the adequacy of these Controls	6.13 and 6.14	
<p>Identification and verification of the main financial flows and opening and closing balances of these institutions over recent accounting periods – either the financial or the calendar year. Possible periods would be 2000 and 2001 or financial years 2000/01 or 2001/02. These audits would be taken independently of the entities in question and would seek to show such line items as:</p> <ul style="list-style-type: none"> <li>• Gross revenue flow – summarized by each major revenue source</li> <li>• Current expenditure itemized by each major</li> </ul>	7 and 8	

	<p>category, including wages and salaries (supplemented by details on employment and structure)</p> <ul style="list-style-type: none"> <li>• Purchased goods process (allocated by major activity)</li> <li>• Transfers made</li> <li>• Interest (allocated by major activity)</li> <li>• Capital spending (itemized by major item)</li> <li>• Profit/loss overall balance and current balance</li> <li>• Remitted profits (profits transferred to government or the public or private agency with dates and amounts)</li> <li>• Borrowing (itemized by sources)</li> <li>• Net change in financial assets</li> <li>• Composition of net financial balance (itemized by major financial assets and liabilities at the beginning and end of each period)</li> </ul>		
	An assessment of the individual agencies arrears	8.2	
	An indication of the legal basis for the various activities and transfers of the entities being examined and highlight any concerns and problems experienced in identifying or validating the financial flows or legal basis	8.1	
	Estimate the potential revenue flows from the institution which could be generated in following periods of operation and which can therefore be monitored to ensure proper financial accountability	9	8

## ROBERTS INTERNATIONAL AIRPORT (RIA)

ANNEX IV - DUTY WAIVERS FOR JANUARY 2004 TO SEPTEMBER 2004										
DETAILS	JAN	FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEPT	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
ATLANTIC WIRELESS	-	-	175,306.02	70,061.26	-	28,210.57	33,173.69	-	-	306,751.54
LONE STAR COM INC.	852.74	-	6,463.80	309.50	2,825.51	912.80	-	50,708.49	7,248.13	69,320.97
UNHCR	-	-	2,061.00	-	49,147.95	-	5,387.95	-	8,156.45	64,753.35
UNDP	-	-	-	-	60,881.93	-	-	-	-	60,881.93
I.C.R.C	4,428.89	6,095.82	23,179.60	10,863.73	7,357.92	1,596.35	-	3,639.10	-	57,161.41
UNFPA	1,104.64	-	-	-	34,667.98	111.22	-	-	-	35,883.84
MSF/SWITZERLAND	880.57	27,305.38	756.89	482.74	4,224.63	133.14	1,945.92	-	-	35,729.27
W.F.P - LIBERIA	-	-	23,378.65	5,919.55	-	302.96	-	4,814.78	201.62	34,617.56
MSF	-	7,197.29	10,345.13	4,663.47	11,007.85	-	-	1,132.49	-	34,346.23
UNICEF LIBERIA	8,989.52	-	-	12,165.47	7,770.33	-	5,246.44	-	-	34,171.76
AMERICAN EMBASSY	-	-	15,157.16	1,912.25	-	6,083.20	-	10,548.19	-	33,700.80
UN WORLD FOOD PROG.	1,384.86	14,952.67	-	10,030.57	-	-	-	-	-	26,368.10
PHEBE HOSPITAL	-	-	-	-	-	-	-	24,955.00	-	24,955.00
NATIONAL DRUG SERVICE	-	-	-	13,285.33	10,635.14	-	-	-	-	23,920.47
LBDI	-	1,015.00	-	-	-	2,504.75	18,089.50	-	-	21,609.25
UNDP - MONROVIA	-	18,461.15	-	-	-	-	-	-	-	18,461.15
MSF/HOLLAND	11,001.13	-	-	-	-	829.60	4,972.99	-	-	16,803.72
CRS	-	-	14,806.36	-	1,059.40	-	202.09	-	-	16,067.85
MSF/BELGIUM	5,850.75	1,502.34	566.01	5,520.85	1,422.70	203.24	372.46	146.64	-	15,584.99
INTERNATIONAL MED. COPS	-	-	-	-	3,048.79	-	9,957.91	-	-	13,006.70
<b>Bal c/d</b>	<b>34,493</b>	<b>76,530</b>	<b>272,021</b>	<b>135,215</b>	<b>194,050</b>	<b>12,677</b>	<b>46,175</b>	<b>95,945</b>	<b>15,606</b>	<b>637,344</b>

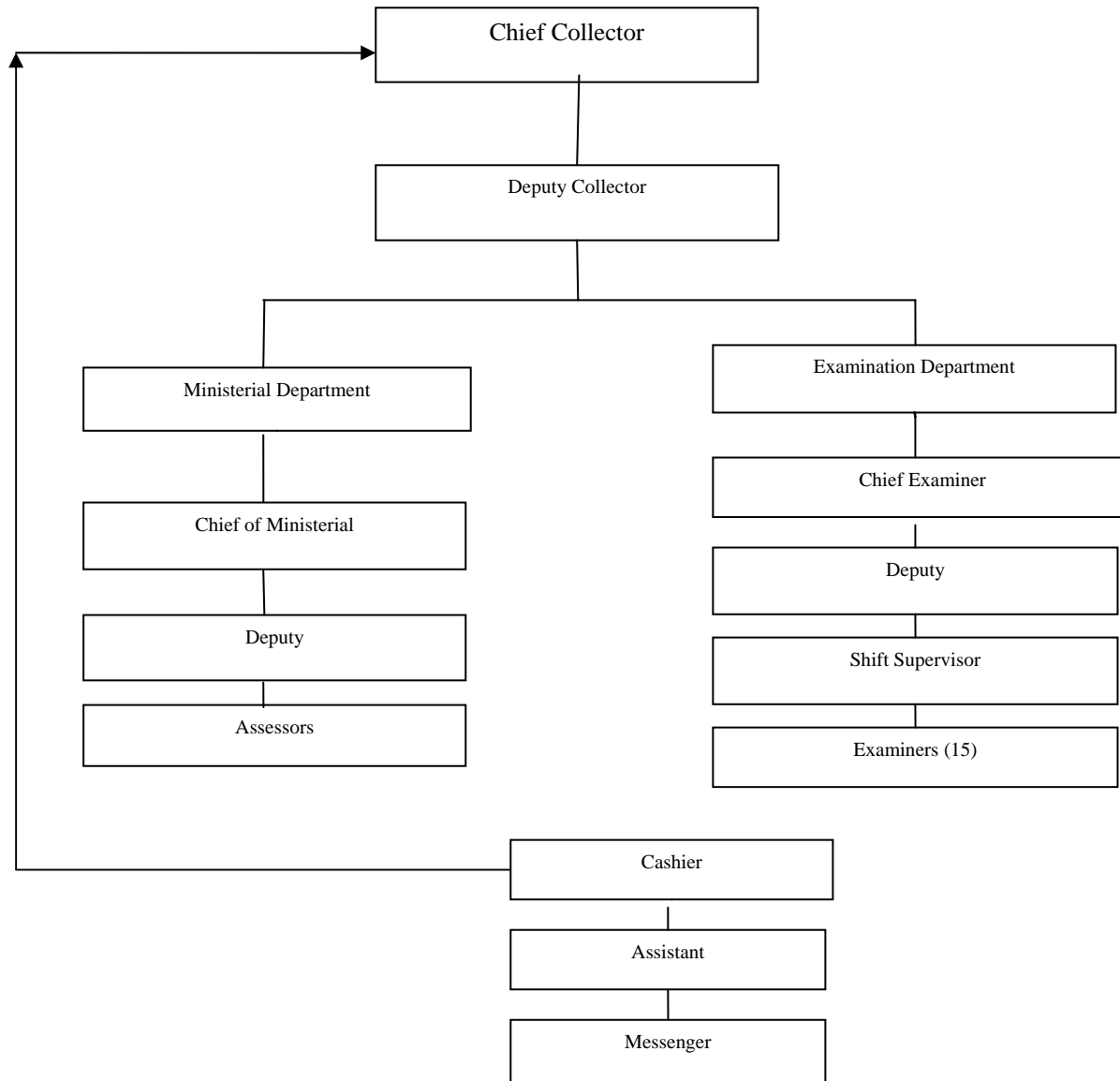
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<b>Bal b/f</b>	<b>34,493</b>	<b>76,530</b>	<b>272,021</b>	<b>135,215</b>	<b>194,050</b>	<b>12,677</b>	<b>46,175</b>	<b>95,945</b>	<b>15,606</b>	<b>637,344</b>
UNICEF	-	3,259.07	523.38		-	4,469.33	-	4,499.83	-	12,751.61
LIBERIA CEMENT CORP.	-	3,596.31	-	-	-	2,234.99	4,890.17	-	-	10,721.47
MERCY CORP	-	-		721.73	972.77	-	6,284.11	-	-	7,978.61
UNOCHA	-	7,764.24	-	-	-	-	-	-	-	7,764.24
LIBERIA AGRIC. CO. (LAC)	544.39	1,336.88	-	-	-	-	-	-	5,851.13	7,732.40
MERLIN - LIBERIA	1,880.25	-	2,949.83	-	-	-	-	2,735.19	-	7,565.27
UNFPA - LIBERIA	-	-	-	5,954.26	-	-	-	-	-	5,954.26
N.B.I	-	-	-	-	-	-	-	-	4,050.20	4,050.20
UNDP - ELIZABETH O. NOAH	-	3,500.47	-	-	-	-	-	-	-	3,500.47
SOLIDARITIES LIBERIA	693.18	-	-	861.00	-	-	-	-	778.36	2,332.54
UNITED STATES TRAD. CO.	1,046.52	598.56	-	410.07	-	-	123.52	-	-	2,178.67
ACTION CONTRE LA FARM	-	-	-	-	-	2,037.53	-	-	-	2,037.53
MEDICINE SAN FRONTIER	-	-	-	2,013.16	-	-	-	-	-	2,013.16
AFRICARE - LIBERIA	-	145.35	-	-	-	-	-	1,714.77	-	1,860.12
FPAL	-	1,766.82	-	-	-	-	-	-	-	1,766.82
DAI/LCIP	-	-	-	-	1,619.86	-	-	-	-	1,619.86
PRIMIER URGENGE	-	1,511.15	-	-	-	-	-	-	-	1,511.15
CUC	-	-	-	-	-	-	-	-	1,080.00	1,080.00
RESRORATION OF EDUC. PROG.	-	-		1,062.50	-	-	-	-	-	1,062.50
CHRISTIAN AID MINISTRIES	-	974.74	-	-	-	-	-	-	-	974.74
MONROVIA BREWERIES INC.	-	355.70	-	189.44	297.85	-	-	-	117.62	960.61
LIBERIA NAT. RED CROSS	-	-	-	-	950.18	-	-	-	-	950.18
<b>Cum. Bal c/d</b>	<b>38,657</b>	<b>101,339</b>	<b>275,494</b>	<b>146,427</b>	<b>197,891</b>	<b>21,419</b>	<b>57,473</b>	<b>104,895</b>	<b>27,483</b>	<b>725,710</b>

## ROBERTS INTERNATIONAL AIRPORT (RIA)

Cum Bal b/f	38,657	101,339	275,494	146,427	197,891	21,419	57,473	104,895	27,483	725,710
GERMAN AGRO ACTION	-	901.51	-	-	-	-	-	-	-	901.51
CHRISTIAN CHILDREN FUND	-	-	827.64	-	-	-	-	-	-	827.64
AFRICARE-B.P.	-	-	-	-	-	-	797.70	-	-	797.70
ACTION CONTRE LA FARM	774.47	-	-	-	-	-	-	-	-	774.47
JAMES N. KOLLIE	-	-	-	-	-	-	-	750.00	-	750.00
LUTHERAN WORLFEDERATION	-	-	-	-	-	-	-	-	675.19	675.19
FAD	-	-	-	-	-	-	469.61	-	-	469.61
REELIN .LIBERIA INC.	434.32	-	-	-	-	-	-	-	-	434.32
EPA	-	-	-	-	-	-	425.85	-	-	425.85
SOLARIDIES	-	-	-	-	-	-	411.34	-	-	411.34
CONSERVATION INT.	-	-	-	375.05	-	-	-	-	-	375.05
INTL. RESCUE COMMITTEE	-	-	-	-	-	350.00	-	-	-	350.00
MEDICINUS DU MONDE	-	-	312.22	-	-	-	-	-	-	312.22
GTZ LIBERIA	270.00	-	-	-	-	-	-	-	-	270.00
WATCH TOWER	-	-	-	-	-	-	-	-	218.01	218.01
ERMGOOTS CHRISTIAN	-	-	101.50	-	-	-	-	-	-	101.50
CRID	22.07	-	-	-	-	-	-	-	-	22.07
NICOM DISTELLERY	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>41,045.08</b>	<b>103,045.44</b>	<b>280,887.16</b>	<b>147,847.47</b>	<b>207,453.08</b>	<b>55,528.90</b>	<b>95,085.04</b>	<b>112,276.43</b>	<b>30,594.86</b>	<b>1,073,763.46</b>

Source: Monthly Customs Collections Report obtained from the Bank Payment Section (BPS) of the Ministry of Finance (MoF)



## REFERENCE MATERIAL

NAME OF DOCUMENT	AUTHOR	DATE OF PUBLICATION	SOURCE
Pre – Shipment Inspection by BIVAC International – New contract	Ministry of Finance/ BIVAC International	October 2004	Ministry of Finance
Executive order # NTGL/002	National Transitional Government of Liberia (NTGL)	24 October 2003	Executive Mansion, Republic of Liberia
Practical Measures for Customs and Tax Reform	IMF, Fiscal Affairs Department	June 2000	International Monetary Fund (IMF)
Customs Revenue Code and Harmonised Description and Coding System of the Customs Tariff Schedules of Liberia Act of 2000(ECOWAS) - Phase One of The Reform Tax Code of Liberia	Legislative Arm of Liberian Government	2000	Ministry of Finance
Technical Needs Assessment	International Monetary Fund - 2003	December 2003	Ministry of Finance
Addendum on the Creation of a Large Tax payers Unit (LTN)	Ministry of Finance	9 January 2004	Ministry of Finance
Procedures Manual of the Large Taxpayers Unit ( LPU)	Ministry of Finance	19 January 2004	Ministry of Finance
BIVAC International Monthly Reports	BIVAC	March and June 2004	BIVAC