Promoting Accountability of Public Resources

Auditor General's Annual Progress Report

National Oil Company of Liberia (NOCAL)

On the Implementation of Audit Recommendations

Audit Follow-up Period
September 1, 2024 – August 31, 2025

December 2025

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

Auditor General's Annual Progress Report for the
NOCAL on the Implementation of Audit Recommendations
Audit Follow-up Period: September 1, 2024 – August 31, 2025

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Acronyms, Abbreviations & Meanings

Acronyms/Abbreviations	Meanings
AC	Audit Conclusion
AD	Audit Description
AE	Audited Entity
AF	Number of Audit Finding
AFC	Audit Follow-up Comment
AFCS	Audit Follow-up Compliance Status
AFU	Audit Follow-up Unit
AG	Auditor General
AO	Audit Opinion
AP	Audited Period
APF	Accounting for Public Fund
AQM	Acquaintance Meeting
AR	Number of Audit Recommendation
AREP	Number of Audit Report
ARIWP	Audit Recommendations Implementation Working Paper
ART	Audit Recommendations Tracker
AT	Audit Type
AUD	Number of Audit
CAAP	Corrective Audit Action Plan
CFC	Certified Financial Consultant
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigation Professional
CI	Compliance Issues
CM	Compliance Matter
DRL	Documents Request Listing
EARTs	Emailed Audit Recommendations Trackers
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FI	Fully Implemented
FII	Financial Issues
FSA	Financial Statements Audit
GAC	General Auditing Commission
GI	Governance Issues
GM	Governance Matter
GoL	Government of Liberia
IC	Implementation Category
ICI	Internal Control Issues
INTOSAI	International Organization of Supreme Audit Institutions
IR	Implementation Rating
ITI	Information Technology Issues
MACs	Ministries, Agencies and Commissions

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Acronyms/Abbreviations	Meanings
NI/MR	Not Implemented/Management Responsibility
NI/RC	Not Implemented/Resource Constraint
NOCAL	National Oil Company of Liberia
OI	Other Issues
PAC	Public Accounts, Audits and Expenditure Committee
PFM	Public Financial Management
PI	Partially Implemented
RARTs	Return of Audit Recommendations Trackers
RD	Report Date
SAFARs	Summary of Audit Findings & Recommendations
TI	Total Implementation
VARTs	Validation of Audit Recommendations Trackers
YP	Year Published

Definitions of Key Terminologies

Terminologies	Definitions
Accounting for Public Funds	Audit recommendations on accounting for public funds not properly accounted for as observed during the audit and documented in the audit report.
Audited Entity	Institution of the Government of Liberia that was audited and reports published.
Audit Follow-up Report	Report published by the Auditor General on the status & implementation of audit recommendations.
Audit Recommendations Tracker	Schedule that provides significant information (audit findings, audit recommendations, management response and Auditor General's position) from the audit report and other relevant information (corrective actions, implementation timelines, responsible persons, expected outcomes) that are provided by the audited entity in the implementation of audit recommendations.
Audit Report	Report published by the Auditor General at the end of the audit process.
Commission	Refers to the General Auditing Commission which is the Supreme Audit Institution (SAI) of Liberia.
Compliance Matters	Audit recommendations on compliance with laws, regulations, standards and internal policies, systems and processes. Areas covered include financial compliance, procurement management, human resource management, payroll processing, fixed assets management, logistics & fleet management, inventory management, fuel management, repairs & maintenance, etc.
Corrective Audit Action Plan	Document that complements the audit recommendations tracker and provides strategy by the audited entity on the corrective measures, implementation timelines, responsible persons, expected outcomes and challenges in implementing audit recommendations.
Governance Matters	Audit recommendations on governance processes that include laws, regulations and standards; maintaining approved internal policy documents; functioning of oversight committees; functioning of internal audit; organizational structures; segregation of duties; etc.
Government	Refers to the Government of the Republic of Liberia which constitutes the Legislature, Executive and Judiciary, including the Central Bank of Liberia.

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Audit Follow-up Compliance Status

Category	Description	Color Code
Fully Compliant	The audited entity complied with all audit follow-up activities and was timely in responding to emails and meetings.	🟢 Green
Compliant	The audited entity was reasonably compliant with audit follow-up activities as acquaintance meeting was held, audit recommendations tracker(s) emailed, completed and returned with corrective actions, tracker(s) validated, and at least one monitoring visit done to review & validate the status & implementation of audit recommendations.	🟢 Light Green
Partially Compliant 1	The audited entity was partially compliant with audit follow-up activities as acquaintance meeting was held, audit recommendations tracker(s) emailed, completed and returned with corrective actions, and tracker(s) validated.	🟡 Yellow
Partially Compliant 2	The audited entity was partially compliant with audit follow-up activities as acquaintance meeting was held, and audit recommendations tracker(s) emailed, completed and returned with corrective actions.	🟠 Orange
Non-Compliant 2	The audited entity was not compliant with audit follow-up activities beyond acquaintance meeting and the emailing of audit recommendations tracker(s) by the Audit Follow-up Unit. No evidence was provided on corrective actions documented and recommendations implemented.	🔴 Light Red
Non-Compliant 1	The audited entity did not comply with any audit follow-up activity.	🔴 Red

Audit Follow-up Implementation Category

Category	Description	Rating
Significant Implementation	Audited entity implemented 80% or more of the total audit recommendations.	80% – 100%
Average Implementation	Audited entity implemented 60% to 79% of the total audit recommendations.	60% – 79%
Slow Implementation	Audited entity implemented 40% to 59% of the total audit recommendations.	40% – 59%
Poor Implementation	Audited entity implemented 1% to 39% of the total audit recommendations.	1% – 39%
No Implementation	Audited entity did not implement audit recommendations.	0%

Audit Follow-up Implementation Status

Status	Description	Rating
Fully Implemented	Recommendation implemented completely and satisfactorily as evaluated by the audited entity and the Audit Follow-up Unit.	100%
Partially Implemented (in progress)	Implementation of audit recommendation ongoing with some aspects been implemented.	50%

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Not implemented/ management's responsibility	Recommendation not implemented due to management not prioritizing and taking relevant & timely actions.	0%
Not implemented/ resource constraint	Recommendation not implemented due to limited or no resources (financial and logistics-e.g. vehicle) that are required to implement the recommendation.	0%

Audit Follow-up Total Implementation for Audited Entities

Item	Description
Total implementation	Recommendations fully implemented (100%) and 50% of partially implemented recommendations. Total implementation includes fully implemented recommendations and 50% of partially implemented recommendations.

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December 15, 2025

Hon. Fabian Michael Lai
President & Chief Executive Officer (CEO)
National Oil Company of Liberia (NOCAL)
Coconut Plantation, U.N. Drive
Monrovia, Liberia

Dear Hon. Lai:

Re: Audit Follow-up Annual Progress Report on the Implementation of Audit Recommendations for the NOCAL

The audit follow-up activities constitute an integral part of the audit process. The audit process involves planning (preliminary assessment, understanding the entity); execution (desk review of documents, evaluations of systems & processes, interviews, field inspections, physical verifications); reporting (draft and final reports); and follow-up. As the last phase of the audit process, audit follow-up is crucial as it ensures that audit recommendations are implemented and continuously provide feedbacks to key stakeholders, including the audited entity, the PAC, Office of the President, development partners and the public.

The audit follow-up activities were conducted in line with Section 2.1.8 (f) of the General Auditing Commission (GAC) Act of 2014, INTOSAI P10 (Section 7), INTOSAI P12 (Principle 3(6)), and ISSAI 3000.

The overall result for the NOCAL from the second phase of the audit follow-up activities showed minimum improvement in the implementation of audit recommendations in comparison to the first phase (September 6, 2022 to March 29, 2024). Implementation of audit recommendations improved from 0% (total implementation of 0 from 31 recommendations) in 2024 to 37% (total implementation of 12 from 31 recommendations) in 2025.

Introduction

The Commission has completed the second phase (August 1, 2024 – August 31, 2025) of the audit follow-up activities at sixty-two (62) government entities, including the NOCAL, where audits were conducted, completed and audit reports were published.

The second phase was the continuation of the initial & first phase of the audit follow-up activities. This report provides the results from the second phase of the audit follow-up activities and highlights whether the NOCAL complied (fully and/or partially) and implemented audit recommendations.

Audit Follow-up Scope and Methodology

The second phase of the audit follow-up activities covered the period August 1, 2024 to August 31, 2025. The audit follow-up activities were conducted with audited entities and included:

- Acquaintance meetings with audited entities and presentations that provided the overview of the audit follow-up activities and the roles of the audited entities and the GAC's Audit Follow-up Unit in expediting the implementation of audit recommendations.

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- Emailing of audit reports along with audit recommendations trackers that contained key components of the audit report (audit findings, recommendations, management response, and AG's position) and corrective actions, implementation timelines, and responsible persons/units.

- Return of the audit recommendations trackers with documented corrective actions, implementation timelines, and responsible persons/units in the implementation of audit recommendations.

- Validation of corrective actions, implementation timelines, and responsible persons/units in the implementation of audit recommendations.

- Monitoring visits to audited entities that included discussions about the status and implementation of audit recommendations, a review of implementation evidence (documents, records, and reports), the filing of evidence, the updating of audit recommendations trackers, and the preparation and emailing of progress reports on the status and implementation of audit recommendations.

Appreciation

We would like to express our appreciation to the staff and senior management team of the NOCAL that complied with the audit follow-up activities.

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

Monrovia, Liberia
October 2025

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Audit Follow-up Result 2025 – NOCAL

A. NOCAL's Overall Audit Follow-up Evaluation

Audit Follow-up Comment:

NOCAL – Compliant – ● Light Green

The NOCAL was compliant with the audit follow-up activities. An acquaintance meeting was held and email was sent with the audit recommendations tracker for completion of corrective actions, implementation timelines, and responsible person(s)/unit(s). The tracker was returned with corrective actions documented, and subsequently validated. Three (3) monitoring visits were performed to review and validate evidence (documents, records, reports, systems, processes, procedures) on the status & implementation of audit recommendations. This was followed by update to the tracker and emailing of progress update & report to the NOCAL.

Implementation Rating and Implementation Category

37% - Poor Implementation; 0% implementation in phase one (September 6, 2022 – March 29, 2024).

Table 1: Summary Audit Follow-up Result

Entity: National Oil Company of Liberia (NOCAL)																	
Entity Type: State-Owned Enterprise (SOE)																	
Sector: Industry and Commerce (INCOM)																	
Implementation Category (IC): Poor Implementation (PI)																	
Follow-up Compliance Status (FCS): Compliant																	
No	**AT**	**AUD**	**AREP**	**AF**	**FII**	**GII**	**CII**	**ICII**	**ITII**	**OII**	**AR**	**FI (100%)**	**PI (50%)**	**TI (Fully & Partially)**	**NI/MR**	**NI/RC**	**IR**
1	Financial Statements Audit (FSA)	1	2	22	18	2	1	1	0	0	31	10	3	11.5	18	0	37%
1	**Totals and Average**	**1**	**2**	**22**	**18**	**2**	**1**	**1**	**0**	**0**	**31**	**10**	**3**	**11.5**	**18**	**0**	**37%**

Graph 1: Summary Audit Follow-up Result

Audit Recommendations Implementation Status – NOCAL (Bar Chart – Table 1)

Implementation Status of Audit Recommendations – NOCAL (Pie Chart – Table 1)

Fully Implemented (10) 32.3%
Partially Implemented (3) 9.7%
Not Implemented (18) 58.1%

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The audit follow-up for the National Oil Company of Liberia (NOCAL) highlights poor implementation of audit recommendations. Out of 31 audit recommendations, only 12 were implemented, yielding an implementation rate of 37%. The scoring of recommendations indicates that 10 recommendations were fully implemented, 3 partially implemented, and 18 not implemented. This shows that significant gaps persist in addressing audit issues.

B. Summary Audit Follow-up Activities

Table 2: Summary Audit Follow-up Activities

NOCAL - Summary of Audit Follow-up Activities				
No	**Follow-up Activity**	**Compliant (Yes/No)**	**Date**	**Comment**
1.0	Acquaintance meeting.	Yes	October 15, 2024	Compliant
2.0	Email tracker(s).	Yes	November 20, 2024	Prepared & sent
3.0	Return of tracker(s).	Yes	July 8, 2025	Received
4.0	Validation of corrective actions.	No	Performed internally by AFU	Non-compliant
5.0	Monitoring visit(s).	Yes	July 10, 17, & 31, 2025	Completed
5.1	a. Review of evidence on the implementation of audit recommendations. b. File evidence on the implementation of audit recommendations. c. Update tracker(s) with implementation status. d. Prepare progress report(s).	Yes	July 10, 17, & 31, 2025	Completed

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Reliance for the Conduct of Audit Follow-up Activities

The audit follow-up activities constitute an integral part of the audit process. The audit process involves planning (preliminary assessment, understanding the entity); execution (desk review of documents, evaluations of systems & processes, interviews, field inspections, physical verifications); reporting (draft and final reports); and follow-up. As the last phase of the audit process, follow-up is crucial as it ensures that audit recommendations are implemented and continuously provide feedbacks to key stakeholders, including the audited entity, the PAC, Office of the President, development partners and the public.
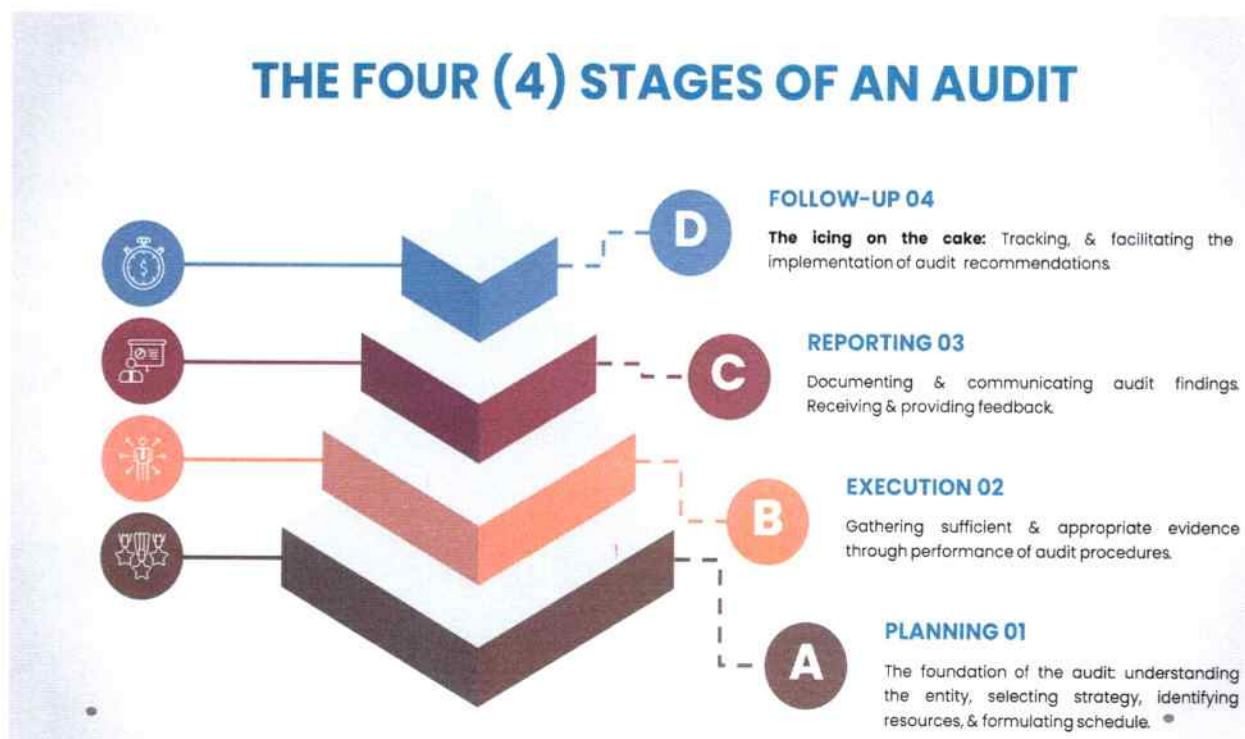

THE FOUR (4) STAGES OF AN AUDIT

FOLLOW-UP 04
The icing on the cake: Tracking, & facilitating the implementation of audit recommendations.

REPORTING 03
Documenting & communicating audit findings. Receiving & providing feedback.

EXECUTION 02
Gathering sufficient & appropriate evidence through performance of audit procedures.

PLANNING 01
The foundation of the audit: understanding the entity, selecting strategy, identifying resources, & formulating schedule.

Exhibit of the GAC's Audit Process

The audit follow-up activities are required by laws, regulations, standards, principles, and policies.

INTOSAI-P 10 Section 7: The Existence of Effective Follow-up Mechanisms on SAI Recommendations

"SAIs submit their reports to the Legislature, one of its commissions, or an auditee's governing board, as appropriate, for review and follow-up on specific recommendations for corrective action.

SAIs have their own internal follow-up system to ensure that the audited entities properly address their observations and recommendations as well as those made by the Legislature, one of its commissions, or the auditee's governing board, as appropriate.

SAIs submit their follow-up reports to the Legislature, one of its commissions, or the auditee's governing board, as appropriate, for consideration and action, even when SAIs have their own statutory power for follow-up and sanctions."

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INTOSAI-P 12 (The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens)

"PRINCIPLE 3: Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective actions.

6) SAIs should report, as appropriate, on the follow-up measures taken with respect to their recommendations."

ISSAI 3000 Performance Auditing Standards – Follow-up

"136) The auditor shall follow up, as appropriate, on previous audit findings and recommendations and the SAI shall report to the legislature, if possible, on the conclusions and impacts of all relevant corrective actions.

139) The auditor shall focus the follow-up on whether the audited entity has adequately addressed the problems and remedied the underlying situation after a reasonable period."

GAC Act of 2014
Part 2 (Auditor General); Section 2.1.8(f) (Functions and Powers of the Auditor General)

"The Auditor General shall set out policies and practices regarding which items of significance are to be followed-up, and the timing and extent of such follow-up work, to assess, whether or not previously reported audit items have been adequately addressed by the auditee."

GAC Strategic Plan 2021-2025

Goal 1 – Audit Transformation

"**Implement a Robust Follow-up Mechanism:** A major objective of performing audits is for recommendations to be implemented by the auditee organizations. It is therefore critical that the GAC puts a system in place to follow-up on auditees and ensure that recommendations are fully implemented. This will improve the efficiency of the Commission in subsequent audits and ensure better accountability."

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1. Background

1.1.   Based on the Commission's mandate, consistent with Section 1.2 of the General Auditing Commission (GAC) Act of 2014, targets are set annually on the number and types of audits (financial statements, compliance, performance, projects, information technology and special) to be performed at government institutions (ministries, agencies, commissions, state-owned enterprises, the Central Bank of Liberia, Judiciary and Legislature). Several audits have been completed for various audited periods (July 1, 2007 to December 31, 2024) and reports were published in the past years (in 2020, 2021, 2022 & 2023) and in recent years (January 2024 to April 2025).

1.2.   We observed that most of the audit recommendations in published audit reports were not been implemented. The underlying reason from our observation was that audited entities did not prioritize proper mechanisms to enable the expeditious implementation of audit recommendations. More importantly, there was poor coordination with the audited entities and the Internal Audit Agency (IAA), the GAC, and the Public Accounts Committee (PAC) of the National Legislature in facilitating the implementation of audit recommendations. Activities to expedite the full implementation of audit recommendations were not catalogued and focal persons were not appointed and tasked with the responsibilities of ensuring that audit recommendations were implemented. Several audit committees at these entities were not constituted and fully functional to provide supervision of audit activities and the implementation of audit recommendations.

1.3.   Because of the low rate in the implementation of audit recommendations coupled with limited oversight structures established & not fully functional to expedite the implementation of audit recommendations, the Office of the Auditor General saw it expedient to establish a robust Audit Follow-up Function at the Commission to work with audited entities and provide technical capacity support to facilitate the timely implementation of audit recommendations contained in audit reports.

1.4.   The initial & first phase of the follow-up activities began on September 6, 2022 and ended March 29, 2024. The first phase resulted in the first annual status report on the implementation of audit recommendations for forty-eight (48) audited entities, including the NOCAL. The report was published in July 2024. The report showed total implementation for the NOCAL of 0% (total implementation of 0 from of 31 recommendations).

1.5.   Although public hearings conducted on the Auditor General's reports by the PAC have significantly increased, recommendations reports from these hearings are yet to be sent to the Executive (President Office) for implementation as required. This practice has the propensity to impede the timely implementation of the recommendations and prolonged the unwarranted culture of impunity for misappropriation of public funds in the Country.

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2. Introduction

2.1.   The Commission has completed the second phase of the follow-up activities at sixty-two (62) government entities, including the NOCAL, where audits were conducted, completed and audit reports were published. The second phase of the audit follow-up activities covered the period September 1, 2024 to August 31, 2025. The audit follow-up activities were conducted with audited entities and included:

1. Acquaintance meetings with audited entities and presentations that provided the overview of the audit follow-up activities and the roles of the audited entities and the GAC's Audit Follow-up Unit in expediting the implementation of audit recommendations.

2. Emailing of audit reports along with audit recommendations trackers that contained key components of the audit report (audit findings, recommendations, management response, and AG's position) and corrective actions, implementation timelines, and responsible persons/units.

3. Return of the audit recommendations trackers with documented corrective actions, implementation timelines, and responsible persons/units in the implementation of audit recommendations.

4. Validation of corrective actions, implementation timelines, and responsible persons/units in the implementation of audit recommendations.

5. Monitoring visits to the audited entities. This involved discussions on the status & implementation of audit recommendations, review of evidence (documents, records, reports) on implementation, filing of evidence, update of audit recommendations trackers, and preparation & emailing of progress reports on the status & implementation of audit recommendations.

2.2.   The second phase was the continuation of the initial & first phase of the audit follow-up activities. This report provides the results from the second phase of the audit follow-up activities and highlights whether the NOCAL complied (fully and partially) and implemented audit recommendations.

2.3.   The overall result for the NOCAL from the second phase of the audit follow-up activities showed improvement in the implementation of audit recommendations in comparison to the first phase. Implementation of audit recommendations improved from 0% (total implementation of 0 from 28 recommendations) in 2024 to 37% (total implementation of 12 from 31 recommendations) in 2025.

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3. The Audit Follow-up Activities

3.1. Overview of the Audit Follow-up Activities

3.1.1. Audit Follow-up is a value-added activity that requires continuous interactions with the audited entity and periodic evaluation to ensure that audit recommendations are timely considered and implemented by those charged with governance at the audited entity. A major value adding component of the audit process is the expeditious implementation of audit recommendations. Audit recommendations have greater impact when there is timely implementation. The timely implementation of audit recommendations will result in the improvement of control systems and processes and compliance with laws & regulations, thereby ensuring that the goals and objectives of the audited entity are realized in a systematic way.

3.1.2. The Follow-up on the Implementation of Audit Recommendations Unit was established in 2021. TheUnit was restructured in May 2022 and became fully functional in June 2022 with the primary objective to provide support to audited entities in the implementation of audit recommendations and mitigation of risks as contained in audit reports issued by the Auditor General.

3.1.3. To achieve the mandate of the Follow-up Function, the Unit performed audit follow-up activities at audited entities and established whether audit recommendations were implemented on a timely basis (within the timelines specified). Periodic field visitations were performed at audited entities during the period August 1, 2024 – August 31, 2025 to monitor progress in the implementation of audit recommendations and improvements in the control systems and processes.

3.2. Scope of the Audit Follow-up Activities

3.2.1. Audit follow-up activities were performed on audit reports from the Auditor General that were published from September 2020 to April 2025. Audits performed included financial statements audits, compliance audits, performance audits, project audits (of donor funds), information technology audits, and special audits.

3.2.2. The audit follow-up activities covered sixty-two (62) audited entities, including the NOCAL.

3.3. Audit Follow-up Methodology

3.3.1. Acquaintance meeting was scheduled, communicated with the NOCAL, and held. The acquaintance meeting was to introduce the audit follow-up activities of the Commission and to provide overview on the purpose and scope of the audit follow-up activities.

3.3.2. Email was sent with audit reports and audit recommendations trackers (ARTs) for the NOCAL to review, provide corrective actions, implementation timelines and responsible persons/units in implementing the audit recommendations.

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3.3.3. The tracker (ART) was returned by with corrective actions, implementation timelines and responsible persons/units, and subsequently validated.

3.3.4. Follow-up emails were sent to confirm progress and status of implementation of audit recommendations.

3.3.5. Calls and texts were placed to the focal person on the status & implementations of audit recommendations.

3.3.6. Three (3) audit follow-up monitoring visits were performed to validate the status & implementation of audit recommendations. The monitoring involved updates to the audit recommendations trackers, corrective audit action plans, other working papers and databasebased on results from the review of documents, records, reports and physical verifications/inspections of projects activities & deliverables.

3.3.7. Progress updates & reports were prepared and emailed on the progress with the implementation of audit recommendations. Feedbacks (responses) were expected from audited entities consistent with actual implementation of audit recommendations, with the NOCAL not providing responses.

3.4.   Audit Follow-up Documentation

3.4.1. **Audit reports:** audit reports published by the Auditor General beginning September 20, 2020.

3.4.2. **Summary of audit findings and recommendations (SAFARs):** summaries (subjects) of audit findings and recommendations from the audit reports, and the implementation status (fully implemented, partially implemented, and not implemented) on the audit recommendations. The SAFARs provide a snapshot to stakeholders on what is in the audit report.

3.4.3. **Audit recommendations tracker (ART):** documents key components from the audit reports to include audit findings (AFs), audit recommendations (ARs), management response, and AG's position. The ART includes audit follow-up features on the status and implementation of audit recommendations such as corrective actions (steps in resolving audit findings consistent with the audit recommendations), implementation timelines, responsible persons/units, expected & desired outcomes, and follow-up comments. The ART is of three (3) types and include: summary, consolidated, and detailed ART.

3.4.4. **Corrective Audit Action Plan (CAAP):** Document that complements the audit recommendations tracker and providesstrategy by the audited entity on the corrective measures, implementation timelines, responsible persons, expected outcomes and challenges in implementing audit recommendations.

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3.4.5. **Documents Request Listing (DRL):** checklist of documents, records, reports, procedures, processes, systems, software as evidence to be submitted and shown/displayed by the audited entities for review, validation and evaluation in establishing the status and implementation of audit recommendations.

3.4.6. **Audit Recommendations Implementation Working Paper (ARIWP):** documents the audit recommendations, corrective actions, and follow-up procedures, tests performed, results from tests performed, and expected/desired outcomes in validating and evaluating the status and implementation of audit recommendations. This ARIWP is important as it documents the evaluation of the processes, procedures, and results of the audited entities in implementing the audit recommendations.

3.4.7. **Audit Recommendations Management (ARM) Database/Software:** provides quantitative and qualitative data on an automated platform on audits performed, number of audit reports, numbers of audit findings, audit recommendations, corrective actions, audit recommendations implementation status (fully implemented, partially implemented, not implemented), and follow-ups evaluations performed.

3.4.8. **Corrective Actions Document (CAD):** provides for audit findings and recommendations from all audit reports and then document generic corrective actions that are required for the implementation of audit recommendations. The intent is to have uniformity and consistency in the implementation of audit recommendations and the results thereof.

3.4.9. **Progress Reports on the Status and Implementation of Audit Recommendations:** documents the status and implementation of audit recommendations in audit reports at the end of each follow-up monitoring visit. Evidence (documents, records, reports) are reviewed and evaluated on the implementation of audit recommendations. Periodic progress reports are submitted through emails to audited entities for feedback.

3.4.10. **AG's annual audit follow-up progress report on the implementation of audit recommendations:** documents the final progress of each audited entity that follow-up activities were performed with on the status and implementation of the audit recommendations.

3.4.11. **AG's annual audit follow-up status report on the implementation of audit recommendations:** documents the consolidated final progress of audited entities that follow-up activities were performed with on the status and implementation of the audit recommendations.
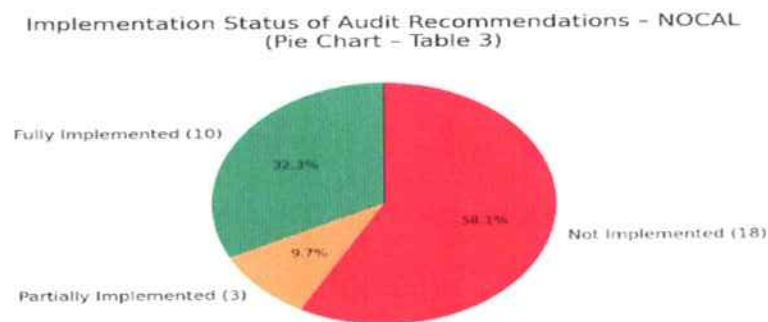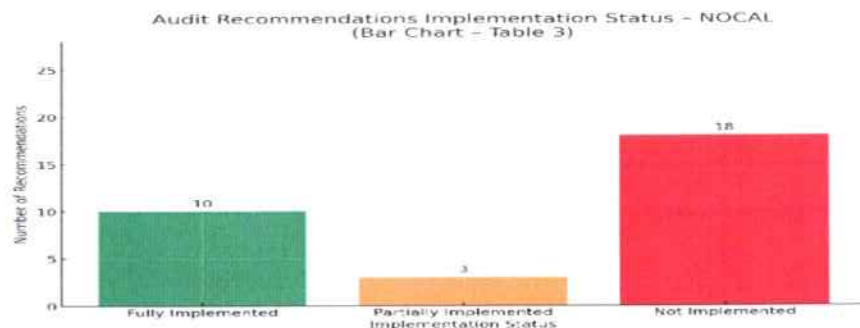
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4. Annual Progress Report – NOCAL

4.1. Detailed Audit Follow-up Result

Table 3: Detailed Audit Follow-up Result

Entity: National Oil Company of Liberia (NOCAL)																									
Entity Type: State-Owned Enterprise (SOE)																									
Sector: Industry and Commerce (INCOM)																									
Implementation Category (IC): Poor Implementation (PI)																									
Audit Follow-up Compliance Status (AFCS): Compliant																									
No	**AD**	**AT**	**AP**	**RD**	**YP**	**AO/AC**	**AUD**	**AREP**	**AF**	**FII**	**GI**	**CI**	**ICI**	**ITI**	**OI**	**AR**	**FI (100%)**	**PI (50%)**	**TI (Fully & Partially)**	**NI/MR**	**NI/RC**	**IR**	**IC**	**AFC**
1	Financial Statements Audit (FSA)	FSA	July 1, 2018- June 30, 2020	April 17, 2023	2022	Qualified	1	2	22	18	2	1	1	0	0	31	10	3	11.5	18	0	37%	Poor implementation	Implemented 37% of recommendations.
1	**Totals**						**1**	**2**	**22**	**18**	**2**	**1**	**1**	**0**	**0**	**31**	**10**	**3**	**11.5**	**18**	**0**	**37%**	**Poor implementation**	**Compliant**

Scoring of audit recommendations' implementation: fully implemented is 1, partially implemented is 0.5, and not implemented is 0.

Graph 2: Detailed Audit Follow-up Result

Audit Recommendations Implementation Status – NOCAL (Bar Chart – Table 3)

Implementation Status of Audit Recommendations – NOCAL (Pie Chart – Table 3)

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The follow-up review of the National Oil Company of Liberia (NOCAL) shows that out of a total of 31 audit recommendations from the financial statements audit covering the audited period July 1, 2018 to June 30, 2020, 10 were fully implemented, 3 were partially implemented, and 18 were not implemented. This represents a 37% overall implementation rate. The figures clearly demonstrate that, while some progress has been made, the majority of audit issues remain unresolved, reflecting a weak commitment to addressing identified financial management and governance deficiencies.

Despite this low implementation performance, NOCAL was reported as "Compliant" in terms of audit follow-up status, which indicates that the NOCAL submitted some evidence on the implementation of audit recommendations. However, the poor implementation outcome highlights significant gaps that need urgent management attention. To improve accountability and strengthen control systems, NOCAL must prioritize closing outstanding recommendations, particularly those that impact financial reporting reliability, operational efficiency, and overall governance processes.

4.2. Detailed Audit Follow-up Activities

Table 4: Detailed Audit Follow-up Activities

NOCAL - Details of Audit Follow-up Activities				
No	Follow-up Activity	Compliant (Yes/No)	Date (Prepared/Issued & Performed)	Comment
1	AG letter for acquaintance meeting with audited entity.	Yes	August 28, 2024 September 1, 2024	Sent & received
2	Acquaintance meeting with audited entity.	Yes	October 15, 2024	Compliant
3	Email of tracker(s) to audited entity.	Yes	November 20, 2024	Prepared & sent
4	Return of tracker(s) by audited entity.	Yes	July 8, 2025	Received
5	Validation of corrective actions.	No	Performed internally by AFU	Non-compliant
6	Follow-up emails to audited entity.	Yes	November 20, 2024 December 12, 2024 December 30, 2024 May 16, 2025 May 27, 2025 July 9, 2025 August 1, 2025 August 27, 2025	Sent & received
7	Follow-up letter(s) to audited entity.	Yes	February 20, 2025 February 21, 2025	Sent & received
8	Response emails from audited entity.	Yes	November 20, 2024 May 16, 2025 July 31, 2025 August 1, 2025 August 27, 2025	Received
9	Response letters from audited entity.	Yes	February 27, 2025	Received

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| 10 | Monitoring visit(s). | Yes | July 10, 17, & 31, 2025 | Completed |
| 11 | Progress updates and reports | Yes | July 21, 2025 August 27, 2025 | Sent via email |

4.3. Audit Findings and Recommendations

Table 5

Entity: National Oil Company of Liberia (NOCAL)				
Audit Type: Financial Statements Audit (FSA)				
Audit Description: Financial Statements Audit of the NOCAL				
Report Date: April 17, 2023				
Year Published: 2022				
No	**Audited Period**	**Audit Conclusion**	**Audit Findings**	**Audit Recommendations**
1	July 1, 2018 - June 30, 2020	Qualified	22	31
	Number of Audits		1	
	Number of Reports		2	
Audit Findings and Resolution				
	Financial Issues (FII)		18	Resolved 5
	Governance Issues (GI)		2	
	Compliance Issues (CI)		1	Partially Resolved 1
	Internal Control Issues (ICI)		1	
	IT Issues (ITI)		0	
	Other Issues (OI)		0	
Audit Recommendations and Implementation				
A	**Implementation Status:**			37%
i	Fully Implemented (FI)			10
ii	Partially Implemented (PI)			3
	Total Implementation (TI)			**11.5**
iii	Not Implemented/Management			18
iv	Not Implemented/Resource			0
B. Recommendations Type				
i	**Governance Matter(s)**			1
	Fully Implemented (FI)			0
	Partially Implemented (PI)			0
	Not Implemented (NI)			1
ii	**Compliance Matter(s)**			26
	Fully Implemented (FI)			10
	Partially Implemented (PI)			3
	Not Implemented (NI)			13
iii	**Accounting for Public Funds**			4
	Fully Implemented (FI)			0
	Partially Implemented (PI)			0
	Not Implemented (NI)			4
Audit Follow-up Comment: Implemented 37% (11.5) of the total audit recommendations.				

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4.3.1. Audit Findings

Table 6: Audit Findings and Resolution

No	Finding Type	Total Findings	Resolution Status				
			Fully Resolved	Partially Resolved	Total Resolved	Not Resolved/ Management	Not Resolved/ Resources
1	Financial Issues (FII)	18	4	2	5	12	0
2	Governance Issues (GI)	2	0	0	0	2	0
3	Compliance Issues (CI)	1	0	1	0.5	0	0
4	Internal Control Issues (ICI)	1	0	0	0	1	0
5	IT Issues (ITI)	0	0	0	0	0	0
6	Other Issues (OI)	0	0	0	0	0	0
	Totals	**22**	**4**	**3**	**5.5**	**15**	**0**

4.3.2. Audit Recommendations

Table 7: Audit Recommendations and Implementation

No	Recommendation Type	Total Recommendations	Implementation Status				
			FI	PI	TI	NI/MR	NI/RC
1	Governance Matters (GM)	1	0	0	0	1	0
2	Compliance Matters (CM)	26	10	3	11.5	13	0
3	Accounting for Public Funds (APF)	4	0	0	0	4	0
	Totals	**31**	**10**	**3**	**11.5**	**18**	**0**

a. Entity's Response
Management did not provide response to the findings and recommendations.

b. Auditor General's Follow-up Position
In the absence of management response, we maintain our findings and recommendations. We will continue to follow-up with the NOCAL on the implementation of audit recommendations.

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5. Audit Follow-up Constraints and Challenges

There were constraints and challenges in performing the audit follow up activities which included:

1. Delays by NOCAL with the audit follow-up activities, especially with conduct of audit follow-up meetings and monitoring visits.

2. Delays in the submission of evidence (documents, records, reports) on resolution of audit findings and implementation of audit recommendations.

3. Lack of automation of the audit follow-up activities to provide real-time feedback to audited entities on the status & implementation of audit recommendations, real-time information to other stakeholders (IAA, MFDP, PAC, donors, etc.) in enhancing their capacities in executing their respective mandates, and efficient sorting and categorizing of audit findings, recommendations, implementation status, implementation category, and compliant status of audited entities.

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6. Audit Follow-up Recommendations

Based on the gravity and consequences of the low implementation of audit recommendations of the Auditor General's reports, coupled with the constraints & challenges, we propose the following recommendations:

1. That the NOCAL Management ensures that the audit committee is functional. The audit committee should be capacitated with individuals with relevant qualifications and experience and made fully functional evidenced by the review of financial reporting, examination of the implementationof internal and external audit recommendations and documentation of meetings' minutes and periodic reports.

2. That the NOCAL Management continues to prioritize the implementation of audit recommendationsby appointing specific focal persons or standing committees, develop corrective action plans to facilitate the implementation of audit recommendations and perform periodic monitoringand evaluation activities.

3. That the NOCAL Management continues to work with the GAC's Audit Follow-up Unit on the harmonization ofcorrective action plans, review of the status of the implementation of audit recommendations and subsequent updates of the audit recommendation trackers.

4. The Audit Follow-up Process should be fully automated. This will provide real-time feedback to audited entities on the status & implementation of audit recommendations, real-time information to other stakeholders (IAA, MFDP, PAC, donors, etc.) in enhancing their capacities in executing their respective mandates, and efficient sorting and categorizing of audit findings, recommendations, implementation status, implementation category, and compliant status of audited entities.

5. Timely periodic follow-ups on the implementation of audit recommendations by the IAA and providing feedbacks to the Office of the Auditor General, R.L.

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7. Appendix

7.1. Summary of Audit Reports, Findings, Recommendations and Implementation Status

Entity: National Oil Company of Liberia (NOCAL)
Audit Type: Financial Statements Audit (FSA)
Audit Description: Financial Statement Audit of the NOCAL
Audited Period: July 1, 2018 – June 30, 2020
Report Date: April 17, 2023
Year of Publication: 2022

A. Audit Findings

Financial Issues (FII)
1. 1.1.1.3&4 Miscalculation of National Social Security Tax; years 1&2 – partially resolved.
2. 1.1.2.2&3 Non-remittance of NASSCORP Tax; years 1&2 – partially resolved.
3. 1.1.3.3&4 Non-remittance of Employees' Withholding Tax; years 1&2 – fully resolved.
4. 1.1.4.2&3 Overstatement of Salary Expense; years 1&2 – not resolved.
5. 1.1.5.2 Overstatement of Net Salary Payable; year 2 – not resolved.
6. 1.1.5.3&4 Unsupported Adjustment to Net Salary Payable; year 1 – not resolved.
7. 1.1.6.3 Prior Period Adjustments; year 1 – not resolved.
8. 1.1.7.3-5 Non-Disclosure of Lease Rental; years 1&2 – not resolved.
9. 1.1.8.2 Payments without Adequate Supporting Documentation; years 1&2 – partially resolved.
10. 1.1.10.2&3 Misstatement of Accounts Receivable; years 1&2 – not resolved.

Governance Issues (GI)
11. 1.1.11.2 Payment of Both Board and Sitting Fees; years 1&2 – not resolved.
12. 1.3.2.2 Audit Committee; year 2 – not resolved.

Compliance Issues (CI)
13. 1.1.12.3 Procurement Irregularities; years 1&2 – partially resolved.

Internal Control Issues (ICI)
14. 1.1.9.3 Fixed Asset Discrepancies; years 1&2 – not resolved.

B. Audit Recommendations

Governance Matters
1. 1.1.11.2 Payment of Both Board and Sitting Fees; years 1&2 – not implemented.
2. 1.3.2.2 Audit Committee; year 2 – not implemented.

Compliance Matters
1. 1.1.1.3&4 Miscalculation of National Social Security Tax; years 1&2 – partially implemented.
2. 1.1.2.2&3 Non-remittance of NASSCORP Tax; years 1&2 – partially implemented.
3. 1.1.3.3&4 Non-remittance of Employees' Withholding Tax; years 1&2 – fully implemented.
4. 1.1.4.2&3 Overstatement of Salary Expense; years 1&2 – not implemented.
5. 1.1.5.2 Overstatement of Net Salary Payable; year 2 – not implemented.
6. 1.1.5.3&4 Unsupported Adjustment to Net Salary Payable; year 1 – not implemented.

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7. 1.1.6.3 Prior Period Adjustments; year 1 – not implemented.
8. 1.1.7.3-5 Non-Disclosure of Lease Rental; years 1&2 – not implemented.
9. 1.1.8.2 Payments without Adequate Supporting Documentation; years 1&2 – fully implemented.
10. 1.1.9.3 Fixed Asset Discrepancies; years 1&2 – not implemented.
11. 1.1.10.2&3 Misstatement of Accounts Receivable; years 1&2 – not implemented.
12. 1.1.12.3 Procurement Irregularities; years 1&2 – partially implemented.

Accounting for Public Funds
1. 1.1.5.2 Overstatement of Net Salary Payable – (US$11,167.02); year 2 – not implemented.
2. 1.1.5.3&4 Unsupported Adjustment to Net Salary Payable – (US$16,966.38); year 1 – not implemented.
3. 1.1.6.3 Prior Period Adjustments – (US$197,697.10); year 1 – not implemented.
4. 1.1.8.2 Payments without Adequate Supporting Documentation – (US$1,550.00 & US$12,594.00); years 1&2 – not implemented.