

LEITI 2015-2016 Reconciliation Exercise

Instructions for completion of Templates and Supporting Schedules

1. Timetable

All certified reporting templates and supporting schedules (**soft copies**) should be completed and submitted to the Independent Administrator (IA) and the General Auditing Commission (GAC) no later than **Friday 15 December 2017**.

Certified hard copies with original signatures to be sent in sealed envelope to the LEITI Secretariat no later than **Friday 22 December 2017**.

The reconciliation work will be carried out from **18 December 2017 to 19 January 2018**. During this period, extractive companies and government agencies are requested to remain available to provide any information or documents that may help in the reconciliation work.

2. Lodgement

Both hard and soft copies of the completed templates and supporting schedules should be submitted/ lodged by each reporting entity.

The soft copies in MS Excel (and not PDF) should be emailed only to the following email addresses:

Entity	E-mail address
Independent Administrator (IA)	leiti@moorestephens.com
General Auditing Commission (GAC)	acwollo-woiwor@gac.gov.lr please copy: wsnanka@gac.gov.lr

The hard copies of the completed certified templates and supporting schedules with original signatures must only be deposited in a sealed envelope at:

Liberia Extractive Industries Transparency Initiative Secretariat - LEITI
Old Bureau of the Budget Building
Capitol Hill
Monrovia, Liberia

3. Reporting Templates and supporting schedules

The **Reporting Package** includes nine (9) sheets; in addition to the payment/receipt report, other information are required from reporting entities according to the new EITI Standard. The table below shows a summary of templates and supporting schedules to be filled in by the reporting entities:

N°	Reporting templates	Extractive companies	Government Agencies
1	Identification Sheet	ALL	
2	Payment/Receipt Report	ALL	ALL
3	Payments Flow Detail	ALL	ALL
4	Mandatory Social Payments Detail	ALL	
5	Voluntary Social Payments Detail	ALL	
6	Production Detail	ALL	
7	Exportation Detail	ALL	LRA (Customs)
8	Infrastructure Provisions and Barter Arrangements	ALL	ALL
9	Employment Detail	ALL	

3.2. Reporting Templates

3.1.1 Extractive Companies

In the case of group of companies or affiliates, the templates are requested to be prepared by each registered extractive company (i.e. for each separate TIN).

Payment/Receipt Report should not include only data on amounts paid by a company but also must include payments made on its behalf by other entities or third parties (clearing agents).

3.1.2 Government Agencies

A separate Reporting Template should be submitted in respect of each of the extractive company included in the reconciliation scope and listed in Annex 1. As a result the Government agency will provide as such Reporting Templates as extractive companies.

3.1.3 NOCAL

NOCAL should submit two types of templates

- 1) the first template for payments made to Government Agencies, where NOCAL will have to report all payments and transfers made to other Government Agencies.
- 2) the second template for payments received from Oil & Gas companies. This is where NOCAL acts as the state-owned enterprise (as a Government Agency) and should therefore submit separate templates for each Oil & Gas company (listed in Annex 1).

3.3. Supporting schedules

Identification sheet

This sheet includes key information and should be filled in by each extractive company and NOCAL.

Scanned copy of the audited financial statements for the years 2015 & 2016 can be submitted with the reporting package.

Payments, social payments, production, exportation and employment detail

All figures reported in the "Payment/Receipt Report" must be detailed payment by payment and date by date in the supporting schedule.

Totals on the supporting schedules should be consistent with the figures reported in the Payment/Receipt Report (sheet "2").

If more convenient, the supporting schedules can be prepared in another format or be in the form of computer print outs or typed lists. However, they must contain the same information.

One critical piece of information that should be included is the official receipt number as without this, it will be very difficult to trace the payment/receipt in the records of the extractive company or Government Agency.

Employment detail

Companies should report in this sheet their monthly Number of direct domestic and foreign employees.

4. Copies of Official Receipts

As a general and important rule, the only amounts to be reported on the templates are those which have actually been paid and for which an official receipt has been issued. It is expected that in each case the physical official receipt can be made available to the reconcilers and referred to the appropriate template line it has been included under (the official receipt will specify the type of tax).

However, originals or copies of official receipts do not need to be provided with the templates and supporting information, although this is always welcome as it helps with the reconciliation and means that we will probably not need to raise queries with the mining company or Government agency later.

Official receipts should be made available in case further investigations are needed.

5. Currency of payment / receipt

The reporting template contains columns to indicate the currency of the transactions (i.e. US\$ or LRD).

It is highly recommended to not convert any payment/receipt into the other currency as this creates the risk of different conversion rates being applied to the same transaction and makes reconciliation difficult.

6. Basis of reporting

6.1. Amounts paid/received

- a) All figures included in the templates and supporting schedules must be calculated on a strict cash basis. Any payment made prior to 1 July 2015 should be excluded. The same applies to any payment made after 30 June 2016. For clarification, the date of payment is the date recorded on the official receipt.
- b) "Payment/Receipt Report" should not only include data on amounts paid by a company but also include payments made on its behalf by other entities or third parties (clearing agents).
- c) For extractives companies, the "Payment/Receipt Report" should include payments made to all Government Agencies in Annex 1.

6.2. Amounts due

Taxes accrued and not paid during the period under review (2015-2016) should not be included in the reporting template.

7. Attestations

- Each company "Payment/Receipt Report" should be signed off by an authorised senior manager;
- Each Government Agency "Payment/Receipt Report" must be signed off by an authorised senior officer;
- Each Reporting Template must be certified by an external auditor:
 - Extractive companies and NOCAL: are required to obtain confirmation from a registered external auditor that the figures reported in the Reporting Templates are in accordance with instructions issued by LEITI, are complete and agree with the accounts for the FY 15-16; and
 - Government Agencies: are required to obtain confirmation from the Auditor General that the transactions reported in the Reporting Templates are in accordance with instructions issued by LEITI, are complete and agree with the accounts of government for the FY 15-16.

- Extractive companies are encouraged to submit their audited 2015 and 2016 financial statements; and
- The Auditor General is required to carry out agreed upon procedures under international standards in accordance with the Terms of Reference prepared by the LEITI Secretariat.

For any changes to the information provided on the original data collection templates, supporting documents and/or confirmation from reporting entities will have to be made available to the Reconciler.

8. Accounting records

8.2. Extractive companies

Extractive companies normally prepare their accounting records on accrual basis, i.e. the tax expense is recognised at the time it is due rather than the time when it is paid. Only amounts actually paid during the period from 1 July 2015 to 30 June 2016 should be included in the template.

As extractive companies may not have individual ledger accounts set for each of the taxes identified on the “Payment/Receipt Report”, it may be necessary to split out or even to aggregate one or more ledger accounts in order to arrive at the correct figure to be inserted on the “Payment/Receipt Report”.

A review could also be carried out to ensure that all regular payments e.g. monthly salary withholdings are accounted for and that no months are missing.

8.3. Government agencies

In respect of Government Agencies, care should be taken to ensure that amounts shown on the “Payment/Receipt Report” include all receipts during 2015-2016 financial year, irrespective of whether the receipt was allocated in the agencies records against amounts due in a previous or subsequent financial year.

9. Queries and Guidance regarding completion of templates

Should any queries arise whilst completing the Templates clarification can be sought from the Reconciler by emailing details of the query to leiti@moorestephens.com

Parker & Company LLC - Moore Stephens LLP
LEITI Independent Administrator

Annex 1: Extractive companies included in 9th LEITI Report (2015-2016)

N°	Oil & Gas	N°	Mining	N°	Forestry	N°	Agriculture
1	Anadarko Liberia	1	Afric Diam	1	Alpha Logging	1	Cavalla Rubber Co
2	Chevron Lib. Ltd	2	Arcelor Mittal	2	Atlantic Resources Ltd	2	Equatorial Palm
3	Exxon Mobil E&P	3	BEA Mountain Mining	3	Euro Liberia Logging	3	Firestone
		4	BHP Billiton	4	Forest Venture	4	Golden Veroleum
		5	Boart Longyear	5	Geblo Logging Inc.	5	Liberia Forest Prod
		6	CGGC Mining	6	Inter. Consultant Capital	6	Liberian Agricultural Comp
		7	China-Union Investment	7	Liberian Hardwood Corp.	7	Libinc Oil Palm
		8	Madina Rock Crusher	8	Mandra Forestry	8	Maryland Oil Palm
		9	Messrs Western Cluster	9	Mandra-LTTC	9	Salala Rubber Corp
		10	MNG Gold Lib Inc.			10	Sime Darby Plant
		11	Monurent				
		12	Putu Iron Ore Mining.				
		13	Royal Company				
		14	West Africa Diamonds				

Annex 2: Detailed list of payment streams

N°	Type of revenue streams	N°	Type of revenue streams	N°	Type of revenue streams	N°	Type of revenue streams
1	Withholding taxes	8	Company Income Tax (CIT)	15	GST	21	Contribution to University
2	Royalties	9	Administrative fees	16	Payment Against Annual Lease	22	Land Permit Fees
3	Surface rental	10	Area fees		Chain of custody management fee (PSI)	23	Annual Lease
4	Customs user fees	11	Handling of Logs	17	Chain of custody management fee (PSI)	24	Farm use in urban areas
5	Stumpage fees	12	Import duties	18	RURAL Service tax	25	Minerals License fees
6	Log Export Fees	13	ECOWAS Trade Levy (ETL)	19	Monthly Lease Payment	26	Social welfare contribution
7	Bid premium	14	Annual training	20	Rural Energy Fund		