Liberia Anti-Corruption Commission

Tupee Taylor Curve, God Give Community, Old Road, Monrovia, Liberia – Cell: 088.667.439/0777.014.098
laccliberia@gmail.com
www.lacc.gov.lr

COOPERATIVE DEVELOPMENT AGENCY (CDA)

INSTITUTIONAL CORRUPTION RISK ASSESSMENT REPORT

SUBMITTED TO:

Cllr. Alexandra K. Zoe

Executive Chairperson

SUBMITTED BY:

EDUCATION AND PREVENTION DEPARTMENT

August 13, 2026

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EXECUTIVE SUMMARY

The Liberia Anti-Corruption Commission (LACC), in fulfillment of its statutory mandate to prevent corruption and promote integrity within public institutions, conducted a Corruption Risk Assessment of the Cooperative Development Agency (CDA). The assessment was undertaken to identify governance weaknesses, corruption vulnerabilities, internal control deficiencies, and operational risks that may undermine the Agency's effectiveness, accountability, and delivery of its statutory mandate.

The assessment examined five critical operational units: Finance Unit, Human Resource Unit, Procurement Unit, Asset Management Unit, and Cooperative Development Services Department (CSD). The assessment covered governance arrangements, financial management, procurement systems, human resource administration, asset management, and the Agency's statutory functions relating to cooperative registration, permit issuance, certificate issuance, verification, monitoring, and regulation.

Based on the Corruption Risk Assessment methodology adopted by the LACC, the CDA recorded an Overall Institutional Risk Score of 11.2, placing the Agency within the High Institutional Risk Category. Three of the five assessed units recorded High Risk ratings, while two recorded Moderate Risk ratings.

Key Findings:

The highest-risk areas were concentrated in the Procurement Unit (Risk Score: 14.8 - High) and Asset Management Unit (Risk Score: 14.2 - High), while the Finance Unit and Cooperative Development Services Department demonstrated comparatively stronger control environments with Moderate risk ratings.

Critical Risks Identified:

High Risk: Lack of comprehensive periodic physical verification of institutional assets (Asset Management Unit).

High Risks: Weak Procurement Committee governance and documentation; inadequate procurement records management; understaffing and weak segregation of duties; absence of procurement performance reporting; limited ethics training for procurement staff.

High Risks: Absence of formal employee performance management framework; limited ethics awareness programs (Human Resource Unit).

High Risk: Absence of a centralized electronic National Cooperative Database (Cooperative Development Services Department).

High Risks: Weak asset custodianship framework; absence of formal asset movement procedures; limited outstation asset verification (Asset Management Unit).

The assessment identified risks primarily arise from weaknesses in governance structures, documentation, monitoring systems, reporting frameworks, information management, and internal control processes.

Priority Recommendations:

- Strengthen procurement governance by formalizing Procurement Committee operations and institutionalizing procurement performance reporting.

- Strengthen asset management controls through annual physical verification and formal custodianship procedures.
- Establish a formal employee performance management framework.
- Develop a centralized electronic National Cooperative Registry.
- Institutionalize ethics and integrity awareness programs.

BACKGROUND

The Cooperative Development Agency (CDA) is the Government of Liberia's statutory institution responsible for promoting, regulating, registering, supervising, and supporting the development of cooperatives throughout Liberia.

Like many public institutions, the Agency operates within an environment where corruption risks may arise from weaknesses in governance arrangements, internal controls, administrative procedures, procurement systems, financial management, human resource administration, asset management, and regulatory functions.

Recognizing that corruption prevention is more effective than enforcement alone, the Liberia Anti-Corruption Commission commissioned this Corruption Risk Assessment to proactively identify vulnerabilities before they evolve into acts of fraud, abuse, waste, or corruption.

PURPOSE OF THE ASSESSMENT

The purpose of this Corruption Risk Assessment was to evaluate the adequacy and effectiveness of the Cooperative Development Agency's governance structures, internal control systems, operational procedures, and accountability mechanisms in preventing corruption and promoting institutional integrity.

The assessment was intended to identify corruption vulnerabilities, evaluate existing mitigation measures, determine residual institutional risks, and provide practical recommendations for strengthening governance, transparency, accountability, and operational efficiency.

OBJECTIVES OF THE ASSESSMENT

- Identify corruption vulnerabilities across key operational units and departments.
- Assess the effectiveness of internal control systems in preventing corruption.
- Evaluate compliance with applicable laws, regulations, and institutional policies.
- Determine the adequacy of governance and accountability mechanisms.
- Develop practical recommendations for strengthening institutional integrity and corruption prevention.

SCOPE OF THE ASSESSMENT

The assessment covered five key operational units and departments of the Cooperative Development Agency:

Unit/Department	Thematic Areas Assessed
Finance Unit	Budget Planning and Execution; Revenue Collection and Management; Banking and Cash Management; Payment Processing; Financial Reporting; Revenue Reconciliation; Petty Cash Administration
Human Resource Unit	Personnel Records Management; Recruitment; Payroll Administration; Performance Management; Leave and Attendance; Training; Discipline and Grievance; Transfers; Ethics and Conflict of Interest; Whistleblower Protection
Procurement Unit	Procurement Planning; Procurement Committee Operations; Procurement Methods; Competitive Bidding; Contract Management; Records Management; Compliance Monitoring; Procurement Reporting; Ethics and Anti-Corruption Controls
Asset Management Unit	Asset Registration; Asset Tagging; Custodianship; Asset Movement; Maintenance; Physical Verification; Asset Reporting; Asset Disposal; Monitoring of Outstation Assets
Cooperative Development Services Department	Cooperative Registration; Permit Issuance; Certificate Issuance; Verification and Feasibility; Documentation Systems; Fee Administration; Supervisory Monitoring; Complaint Management; National Cooperative Database

METHODOLOGY

The Corruption Risk Assessment adopted a qualitative, evidence-based, and participatory approach consistent with the Liberia Anti-Corruption Commission's Corruption Risk Assessment Framework.

Data Collection Methods

1. Administration of Risk Assessment Questionnaires

Structured Corruption Risk Assessment Questionnaires were administered to management and key personnel within each assessed unit and department. The questionnaires gathered information on governance arrangements, operational procedures, internal control systems, compliance with applicable laws, accountability mechanisms, corruption vulnerabilities, and existing mitigation measures.

2. Key Informant Interviews

Structured interviews were conducted with management, supervisors, and technical personnel from all five assessed units and departments. These interviews provided additional insight into operational practices, institutional challenges, control mechanisms, and corruption risk exposures.

3. Document Review

A comprehensive review of institutional records and supporting documentation was undertaken, including:

- Financial records, budgets, bank statements, and reconciliation reports
- Procurement plans, bid documents, evaluation reports, and contract files
- Personnel files, payroll records, and Human Resource policies
- Fixed Asset Register, inventory records, and asset transfer records
- Cooperative registration files, permit and certificate registers, verification reports
- Quarterly and annual reports, internal audit reports

4. Physical Verification and Observation

The assessment included physical verification and direct observation of selected institutional assets, operational processes, record-keeping practices, and internal control arrangements.

5. Validation of Findings

Preliminary findings were shared with relevant unit heads and management officials for factual verification and clarification. Additional supporting documentation provided during validation was incorporated into the final analysis.

Risk Analysis and Risk Rating

Identified corruption risks were analyzed using the LACC's Corruption Risk Assessment methodology. Each risk was assessed based on:

Likelihood: The probability that the risk could occur (Scale: 1-5)

Impact: The potential effect of the risk on the Agency's operations, finances, reputation, or service delivery (Scale: 1-5)

Existing Controls: The adequacy and effectiveness of current measures designed to prevent, detect, or mitigate identified risks

Risk Scoring:

Category	Score Range	Risk Level
Low	1-4	**Low**
Moderate	5-9	**Moderate**
High	10-16	**High**
Extreme	20-25	**Extreme**

Triangulation of Evidence

Information obtained through questionnaires, interviews, document reviews, and physical verification was triangulated to validate findings, identify inconsistencies, and ensure that conclusions and recommendations were supported by sufficient and credible evidence.

OVERALL INSTITUTIONAL RISK PROFILE

Based on the methodology, the Cooperative Development Agency (CDA) recorded an Overall Institutional Risk Score of 11.2, placing the Agency within the High Institutional Risk Category.

Distribution of Risk Ratings

Unit/Department	Average Risk Score	Risk Level
Procurement Unit	14.8	**High**
Asset Management Unit	14.2	**High**
Human Resource Unit	12.5	**High**
Cooperative Development Services Department	7.3	**Moderate**
Finance Unit	7.3	**Moderate**

Summary:

- 3 Units/Departments recorded High Risk ratings
- 2 Units/Departments recorded Moderate Risk ratings
- 1 Thematic area recorded an Extreme Risk rating (Lack of comprehensive periodic physical verification of institutional assets)

Institutional Risk Profile Summary

Indicator	Assessment Result
Overall Institutional Risk Score	11.2
Institutional Risk Category	High

Indicator	Assessment Result
Units/Departments Assessed	5
High-Risk Units/Departments	3
Moderate-Risk Units/Departments	2
Highest Thematic Risk Identified	Lack of Comprehensive Physical Verification of Assets (Risk Score: 20 - Extreme)

RISK ASSESSMENT FINDINGS BY DEPARTMENT

1. FINANCE UNIT

Risk Rating: Moderate (Average Score: 7.3)

Identified Risks and Risk Ratings

Risk Area	Likelihood	Impact	Risk Score	Risk Level
Weak Budget Variance Documentation	3	3	**9**	**Moderate**
Weak Receipt Reconciliation Documentation	3	3	**9**	**Moderate**
Non-Operational Petty Cash Framework	2	2	**4**	**Low**

Description of Risks

Weak Budget Variance Documentation: While budget monitoring mechanisms exist, explanations and investigations relating to budget variances are not consistently documented and maintained for audit and management review purposes. This may conceal unauthorized budget reallocations and weaken accountability.

Weak Receipt Reconciliation Documentation: Receipt reconciliation activities appear to be conducted; however, documentary evidence supporting these reconciliations is not consistently maintained. This may increase the risk of revenue leakages, undetected discrepancies, and potential diversion of funds.

Non-Operational Petty Cash Framework: The Agency currently does not operate a fully functional petty cash management system. While this reduces exposure to petty cash-related corruption risks, future establishment without adequate controls may increase exposure to cash misappropriation and unsupported expenditures.

2. HUMAN RESOURCE UNIT

Risk Rating: High (Average Score: 12.5)

Identified Risks and Risk Ratings

Risk Area	Likelihood	Impact	Risk Score	Risk Level
Absence of Performance Evaluation System	4	4	**16**	**High**
Limited Ethics and Integrity Awareness Programs	4	4	**16**	**High**
Recruitment Documentation and Transparency Gaps	3	3	**9**	**Moderate**
Absence of Biometric Attendance System	3	3	**9**	**Moderate**

Description of Risks

Absence of Performance Evaluation System: The Agency does not currently operate a formal employee performance appraisal system. No evidence of annual performance appraisal exercises or structured employee performance assessments was provided. This weakness reduces employee accountability, limits objective promotion decisions, and weakens productivity monitoring.

Limited Ethics and Integrity Awareness Programs: Limited evidence exists of structured ethics awareness initiatives, integrity training, and Code of Conduct sensitization programs. This may reduce employee understanding of ethical obligations, increase vulnerability to misconduct, and weaken the institutional culture of integrity.

Recruitment Documentation and Transparency Gaps: While recruitment processes generally comply with CSA requirements, supporting recruitment reports were not consistently available, and vacancies are not always publicly advertised where direct replacement mechanisms are utilized. This may reduce transparency, create perceptions of favoritism, and limit auditability of recruitment decisions.

Absence of Biometric Attendance System: Attendance is currently monitored through conventional attendance systems without biometric verification. This increases attendance manipulation risks, reduces workforce accountability, and limits effective monitoring of staff attendance.

3. PROCUREMENT UNIT

Risk Rating: High (Average Score: 14.8)

Identified Risks and Risk Ratings

Risk Area	Likelihood	Impact	Risk Score	Risk Level
Weak Procurement Committee Documentation	4	4	**16**	**High**
Weak Procurement Records Management	4	4	**16**	**High**
Understaffing and Weak Segregation of Duties	5	4	**20**	**Extreme**
Absence of Procurement Reporting Framework	4	4	**16**	**High**
Lack of Ethics and Anti-Corruption Training	4	3	**12**	**High**
Weak Compliance Review Documentation	3	3	**9**	**Moderate**

Description of Risks

Weak Procurement Committee Documentation: Appointment letters for Committee members were not provided; meeting minutes were not made available for review; attendance records were not consistently maintained. This reduces accountability, weakens transparency, and increases vulnerability to undue influence.

Weak Procurement Records Management: Several procurement documents requested during the review could not be readily produced; record retrieval processes are cumbersome; some procurement files were incomplete; document archiving systems require improvement. This limits transparency, reduces audit readiness, and may conceal procurement irregularities.

Understaffing and Weak Segregation of Duties: Understaffing has resulted in situations where one officer may perform multiple procurement functions. This condition weakens segregation of duties and significantly increases exposure to operational, compliance, and corruption risks.

Absence of Procurement Reporting Framework: The Unit was unable to provide evidence of Quarterly Procurement Reports, Annual Procurement Reports, Procurement Performance Reports, or Monitoring Reports. This reduces management oversight, limits transparency, and conceals procurement weaknesses.

Lack of Ethics and Anti-Corruption Training: No evidence was provided demonstrating periodic ethics and anti-corruption training specifically targeted at procurement personnel. This may increase corruption vulnerabilities and conflict-of-interest risks.

Weak Compliance Review Documentation: Supporting compliance review reports were not provided for verification. This limits assurance regarding procurement legality and may conceal non-compliance risks.

4. ASSET MANAGEMENT UNIT

Risk Rating: High (Average Score: 14.2)

Identified Risks and Risk Ratings

Risk Area	Likelihood	Impact	Risk Score	Risk Level
Weak Asset Custodianship Framework	4	4	**16**	**High**
Absence of Asset Movement Procedures	4	4	**16**	**High**
Lack of Periodic Physical Verification	5	4	**20**	**Extreme**
Lack of Asset Status Reporting	4	3	**12**	**High**
Limited Outstation Verification	4	3	**12**	**High**
Weak Disposal Approval Framework	3	3	**9**	**Moderate**

Description of Risks

Weak Asset Custodianship Framework: Limited documentary evidence of formal custodianship arrangements, such as signed asset assignment forms or acknowledgment records. This reduces accountability for assets, increases disputes over asset responsibility, and complicates investigations involving lost or damaged assets.

Absence of Asset Movement Procedures: Formal asset movement procedures remain underdeveloped with limited use of standardized transfer forms and movement registers. This increases risk of unauthorized asset relocation and creates accountability gaps.

Lack of Periodic Physical Verification: Despite some asset monitoring occurring, documentary evidence supporting comprehensive periodic stocktaking exercises was limited. No structured annual verification reports covering all institutional assets were found. This may delay detection of missing assets and increase theft risks.

Lack of Asset Status Reporting: The Unit does not consistently prepare periodic Asset Status Reports for management review. This reduces management oversight and limits strategic planning.

Limited Outstation Verification: Limited logistical resources restrict periodic verification of assets located in county offices and project locations, increasing the risk of asset misuse and loss.

Weak Disposal Approval Framework: Disposal procedures exist but documentary evidence supporting disposal approval memoranda was not consistently available, exposing the Agency to unauthorized disposal and asset misappropriation risks.

5. COOPERATIVE DEVELOPMENT SERVICES DEPARTMENT

Risk Rating: Moderate (Average Score: 7.3)

Identified Risks and Risk Ratings

Risk Area	Likelihood	Impact	Risk Score	Risk Level
Absence of National Cooperative Database	4	4	**16**	**High**
Limited Supervisory Verification Coverage	3	3	**9**	**Moderate**
Complaint Feedback Gaps	3	3	**9**	**Moderate**

Description of Risks

Absence of National Cooperative Database: The Department lacks a comprehensive electronic national registry of established cooperatives. While permit and certificate records exist, the absence of a centralized database directly affects the Department's statutory mandate relating to registration, certification, monitoring, cooperative sector planning, statistical reporting, and compliance monitoring. This increases the risk of incomplete records, difficulty tracking active cooperatives, weak monitoring capabilities, and duplicate registrations.

Limited Supervisory Verification Coverage: Supervisory verification coverage is constrained due to limited manpower, inadequate logistics, and limited transportation resources. This reduces monitoring effectiveness, delays field assessments, increases reliance on subordinate reports, and affects verification quality.

Complaint Feedback Gaps: Findings from complaint investigations are not consistently communicated to originating operational units. This limits organizational learning, reduces corrective actions, and may allow recurring operational weaknesses.

CONSOLIDATED RISK MATRIX

Unit/Department	Risk Area	Likelihood	Impact	Risk Score	Risk Level
Finance	Weak Budget Variance Documentation	3	3	**9**	**Moderate**
	Weak Receipt Reconciliation Documentation	3	3	**9**	**Moderate**
	Non-Operational Petty Cash Framework	2	2	**4**	**Low**
Human Resource	Absence of Performance Evaluation System	4	4	**16**	**High**
	Limited Ethics and Integrity Awareness	4	4	**16**	**High**
	Recruitment Documentation Gaps	3	3	**9**	**Moderate**
	Absence of Biometric Attendance	3	3	**9**	**Moderate**
Procurement	Weak Procurement Committee Documentation	4	4	**16**	**High**
	Weak Procurement Records Management	4	4	**16**	**High**
	Understaffing/Segregation of Duties	5	4	**20**	**Extreme**
	Absence of Procurement Reporting	4	4	**16**	**High**
	Lack of Ethics/Anti-Corruption Training	4	3	**12**	**High**
	Weak Compliance Review Documentation	3	3	**9**	**Moderate**
Asset Management	Weak Asset Custodianship Framework	4	4	**16**	**High**
	Absence of Asset Movement Procedures	4	4	**16**	**High**
	Lack of Periodic Physical Verification	5	4	**20**	**Extreme**
	Lack of Asset Status Reporting	4	3	**12**	**High**
	Limited Outstation Verification	4	3	**12**	**High**
	Weak Disposal Approval Framework	3	3	**9**	**Moderate**
Cooperative Development Services	Absence of National Cooperative Database	4	4	**16**	**High**
	Limited Supervisory Verification	3	3	**9**	**Moderate**
	Complaint Feedback Gaps	3	3	**9**	**Moderate**

Distribution Summary

Risk Level	Number of Risks	Units Affected
Extreme	2	Procurement, Asset Management
High	10	All Units
Moderate	9	All Units
Low	1	Finance

PRIORITY RECOMMENDATIONS

High Priority Recommendations (0-8 Months)

1. Strengthen Procurement Governance

- Formalize Procurement Committee operations with documented appointment letters, meeting minutes, and attendance records.
- Institutionalize procurement performance reporting (Quarterly and Annual Reports).
- Address understaffing to improve segregation of duties.
- Implement systematic procurement records management and archiving.
- Conduct periodic ethics and anti-corruption training for procurement personnel.

2. Strengthen Asset Management Controls

- Conduct annual comprehensive physical verification of all institutional assets.
- Establish formal asset custodianship procedures with signed assignment forms.
- Develop standardized asset movement and transfer forms.
- Introduce periodic Asset Status Reports for management review.
- Strengthen monitoring of outstation assets through structured verification schedules.

3. Establish a Formal Performance Management System

- Develop and implement an annual employee performance appraisal system.
- Establish Key Performance Indicators (KPIs) for all positions.
- Link performance evaluations to promotion, training, and career development decisions.

4. Develop a Centralized Electronic National Cooperative Registry

- Conduct a nationwide cooperative mapping and profiling exercise.
- Digitize permit and certificate records.
- Establish an integrated cooperative management information system.

5. Institutionalize Ethics and Integrity Programs

- Develop a Human Resource Ethics Awareness Program.
- Conduct periodic integrity and anti-corruption training sessions.
- Regularly sensitize employees on the Code of Conduct.

Medium Priority Recommendations

6. Strengthen Financial Management Controls

- Establish a formal Budget Variance Investigation Register.
- Require written explanations and approvals for all significant budget variances.
- Strengthen receipt reconciliation procedures and reporting requirements.

7. Modernize Institutional Records Management

- Digitize finance, procurement, human resources, asset management, and cooperative registration records.

- Improve document retention and archival systems.

8. Improve Workforce Accountability

- Procure and deploy biometric attendance systems.
- Strengthen attendance monitoring and reporting.

9. Strengthen Field Monitoring and Verification

- Enhance logistical support for verification activities.
- Implement structured verification schedules for cooperative inspections.
- Strengthen complaint feedback mechanisms.

Long-Term Recommendations

10. Institutionalize Enterprise Risk Management

- Establish a comprehensive risk management framework.
- Conduct periodic corruption risk assessments.

11. Strengthen Institutional Monitoring and Reporting

- Develop performance indicators and regular management reporting on risk mitigation measures.

12. Enhance Institutional Capacity

- Implement continuous professional development programs.
- Provide specialized technical training for staff.

RISK MITIGATION PLAN

This Risk Mitigation Plan translates the findings and Priority Recommendations of this Corruption Risk Assessment into specific, actionable, and monitorable measures for each assessed unit and department. It assigns a responsible officer or unit, a target implementation timeframe, and a monitoring indicator to every identified risk, providing the Cooperative Development Agency (CDA) and the Liberia Anti-Corruption Commission (LACC) with a practical framework for tracking implementation of corrective actions.

Timeframes are aligned with the Priority Recommendations classification adopted in this report: High Priority actions are targeted for completion within 0-8 months of validation; Medium Priority actions within 9-12 months; and Long-Term/cross-cutting actions within 12-24 months. Overall responsibility for coordinating implementation rests with CDA Executive Management, with the LACC Education and Prevention Department providing follow-up monitoring and technical support.

Finance Unit Mitigation Actions

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Weak Budget Variance Documentation	**Moderate**	Establish a formal Budget Variance Investigation Register; require written explanations and approvals for all significant budget variances.	Finance Unit / Comptroller	9-12 months	Budget Variance Register in use; quarterly variance report
Weak Receipt Reconciliation Documentation	**Moderate**	Strengthen receipt reconciliation procedures and reporting requirements, with reconciliation evidence filed and retained.	Finance Unit / Comptroller	9-12 months	Monthly reconciliation reports on file
Non-Operational Petty Cash Framework	**Low**	Maintain the petty cash framework as non-operational until a formal petty cash policy, custodian designation, and reconciliation procedure are developed and approved.	Finance Unit / Comptroller	As needed prior to activation	Approved petty cash policy (if/when activated)

Human Resource Unit Mitigation Actions

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Absence of Performance Evaluation System	**High**	Develop and implement an annual employee performance appraisal system; establish KPIs for all positions; link evaluations to promotion, training, and career development decisions.	Human Resource Unit	0-8 months	Approved appraisal policy; completed annual appraisal cycle
Limited Ethics and Integrity Awareness Programs	**High**	Develop a Human Resource Ethics Awareness Program; conduct periodic integrity and anti-corruption training; regularly sensitize employees on the Code of Conduct.	Human Resource Unit	0-8 months	Training attendance records; annual sensitization calendar
Recruitment Documentation and Transparency Gaps	**Moderate**	Maintain complete recruitment reports for every recruitment exercise and publicly advertise vacancies in line with CSA requirements, including where direct replacement mechanisms are used.	Human Resource Unit	9-12 months	Complete recruitment files; advertisement records

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Absence of Biometric Attendance System	**Moderate**	Procure and deploy a biometric attendance system; strengthen attendance monitoring and reporting.	Human Resource Unit / Administration	9-12 months	Biometric system installed and operational

Procurement Unit Mitigation Actions

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Weak Procurement Committee Documentation	High	Formalize Procurement Committee operations with documented appointment letters, meeting minutes, and attendance records.	Procurement Unit / Procurement Committee	0-8 months	Complete Committee file (appointments, minutes, attendance)
Weak Procurement Records Management	High	Implement systematic procurement records management and archiving, including digitization of procurement files.	Procurement Unit	0-8 months	Functional records/archiving system in use
Understaffing and Weak Segregation of Duties	Extreme	Address understaffing to improve segregation of duties within the Procurement Unit.	CDA Executive Management / Human Resource Unit	0-8 months	Approved staffing plan; additional staff placed
Absence of Procurement Reporting Framework	High	Institutionalize procurement performance reporting through Quarterly and Annual Procurement Reports.	Procurement Unit	0-8 months	Quarterly/Annual Procurement Reports submitted
Lack of Ethics and Anti-Corruption Training	High	Conduct periodic ethics and anti-corruption training for procurement personnel.	Procurement Unit / Human Resource Unit	0-8 months	Training attendance records
Weak Compliance Review Documentation	Moderate	Maintain documented compliance review reports for all procurement activities to support audit and verification.	Procurement Unit	9-12 months	Compliance review reports on file

Asset Management Unit Mitigation Actions

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Weak Asset Custodianship Framework	High	Establish formal asset custodianship procedures with signed asset assignment/acknowledgment forms for all assets issued to staff.	Asset Management Unit	0-8 months	Signed custodianship forms on file
Absence of Asset Movement Procedures	High	Develop standardized asset movement and transfer forms and a movement register.	Asset Management Unit	0-8 months	Movement register in active use
Lack of Periodic Physical Verification	Extreme	Conduct an annual comprehensive physical verification of all institutional assets, covering headquarters and outstations.	Asset Management Unit	0-8 months	Annual Physical Verification Report
Lack of Asset Status Reporting	High	Introduce periodic Asset Status Reports for management review.	Asset Management Unit	0-8 months	Quarterly Asset Status Reports submitted
Limited Outstation Verification	High	Strengthen monitoring of outstation assets through structured verification schedules and adequate logistical support.	Asset Management Unit	0-8 months	Outstation verification schedule and reports
Weak Disposal Approval Framework	Moderate	Maintain documented disposal approval memoranda for all asset disposal actions, consistent with existing disposal procedures.	Asset Management Unit	9-12 months	Disposal approval memoranda on file

Cooperative Development Services Department Mitigation Actions

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Absence of National Cooperative Database	High	Conduct a nationwide cooperative mapping and profiling exercise; digitize permit and certificate records; establish an integrated cooperative management information system.	Cooperative Development Services Department	0-8 months	Operational electronic National Cooperative Registry
Limited Supervisory Verification Coverage	Moderate	Enhance logistical support for verification activities and implement structured verification schedules for cooperative inspections.	Cooperative Development Services Department	9-12 months	Verification schedule and field reports
Complaint Feedback Gaps	Moderate	Strengthen complaint feedback mechanisms so that findings from complaint investigations are consistently communicated to originating operational units.	Cooperative Development Services Department	9-12 months	Complaint feedback log

Cross-Cutting and Long-Term Mitigation Measures

The following measures apply across all assessed units and departments and correspond to the Long-Term Recommendations of this report:

Risk Area	Level	Mitigation Action	Responsible	Timeframe	Monitoring Indicator
Absence of Enterprise Risk Management Framework	High	Institutionalize Enterprise Risk Management by establishing a comprehensive risk management framework and conducting periodic corruption risk assessments.	CDA Executive Management	12-24 months	Approved ERM framework; scheduled follow-up assessments
Weak Institutional Monitoring and Reporting	Moderate	Strengthen institutional monitoring and reporting by developing performance indicators and regular management reporting on risk mitigation measures.	CDA Executive Management	12-24 months	Regular management reports on mitigation status
Limited Institutional Capacity	Moderate	Enhance institutional capacity through continuous professional development programs and specialized technical training for staff.	Human Resource Unit / All Units	12-24 months	Annual capacity-building/training plan and records

Risk Mitigation Monitoring Framework

To ensure sustained implementation, CDA Management, with technical support from the LACC Education and Prevention Department, will:

- Designate a Risk Mitigation Focal Person within each assessed unit and department to coordinate implementation of assigned actions.
- Submit quarterly progress reports on the status of mitigation actions to CDA Executive Management and the LACC.

- Conduct a follow-up review at the mid-point of the High Priority implementation window (approximately four months after validation) to assess progress and address emerging obstacles.
- Conduct a comprehensive follow-up Corruption Risk Assessment upon completion of the mitigation period to verify implementation and measure the resulting change in institutional risk rating.

MANAGEMENT RESPONSE (VALIDATION MEETING)

Overview of the Validation Meeting

In accordance with the Corruption Risk Assessment methodology of the Liberia Anti-Corruption Commission (LACC), the draft findings of this Institutional Corruption Risk Assessment were presented to the management of the Cooperative Development Agency (CDA) for review, validation, and formal response. The validation meeting was held on 30 July 2026 and constituted a critical stage in the Commission's Corruption Risk Assessment process, providing the Agency an opportunity to review the draft findings, verify factual accuracy, provide clarifications, and reach consensus on the identified corruption risks, recommendations, and proposed mitigation measures before the report was finalized.

The validation meeting was attended by the Registrar General of the Cooperative Development Agency, Hon. Lwopu G. Kandakai, accompanied by members of the Agency's technical team. The Liberia Anti-Corruption Commission was represented by the Vice Executive Chairperson, Hon. Arthur W. B. Fumbah, who presided over the proceedings, together with a multidisciplinary technical team from the Education and Prevention Department and other relevant units of the Commission.

Making official remarks on behalf of the LACC, the Vice Executive Chairperson stressed that the fight against corruption extends beyond investigations and prosecutions, emphasizing that prevention remains the most effective strategy, and that the objective of the exercise was to strengthen existing systems rather than assign blame. “This exercise is not about indicting anyone or creating problems for institutions,” Hon. Fumbah stated. “It represents the Commission's commitment to preventing corruption before it occurs.” He further explained, using a mosquito-prevention analogy, that just as it is more effective to prevent mosquitoes from entering a house than to spray them afterward, the same principle applies to corruption: establishing effective systems and closing opportunities for corruption results in fewer investigations, fewer prosecutions, and fewer cases before the courts.

Management Acknowledgement of Findings

On behalf of the Cooperative Development Agency, the Registrar General, Madam Lwopu G. Kandakai, formally acknowledged and accepted the findings of the Corruption Risk Assessment as presented by the LACC. She expressed appreciation to the Commission for conducting the assessment and facilitating the validation exercise, describing the process as insightful and beneficial, and noting that the findings would help improve the Agency's internal systems and operational effectiveness.

Management confirmed that the risks identified across the Finance Unit, Human Resource Unit, Procurement Unit, Asset Management Unit, and the Cooperative Development Services Department are consistent with its own internal understanding of the Agency's operational and administrative challenges, and did not dispute the Overall Institutional Risk Score of 11.2 (High Institutional Risk Category) or the risk ratings assigned to individual units. Management further noted its agreement with the assessment's conclusion that the identified weaknesses are procedural and systemic in nature, arising from gaps in governance structures, documentation, monitoring systems, and internal controls which the management largely attributed to limited human capacity created by resignation and, or sudden departure by staff in such of gainful employment rather than evidence of deliberate or systemic corruption.

Madam Kandakai committed the Agency to addressing the concerns and recommendations outlined in the draft report and pledged to implement appropriate corrective measures to mitigate the identified corruption risks, in line with the timeframes set out in the Risk Mitigation Plan.

Unit-Level Management Responses

During the validation meeting, CDA management and unit representatives provided the following unit-level responses to the assessment findings:

Unit/Department	Management Response
Finance Unit	Management acknowledged the documentation gaps identified in budget variance monitoring and receipt reconciliation, and confirmed these are administrative rather than financial-loss findings. Management committed to formalizing a Budget Variance Investigation Register and strengthening reconciliation documentation, and agreed that the petty cash framework will remain inactive until formal controls are in place.
Human Resource Unit	Management concurred with the finding that no formal performance evaluation system currently exists and agreed this is a priority gap. Management committed to developing an annual appraisal system with defined KPIs and to instituting a structured ethics and integrity awareness program for all staff. Management also accepted the recommendation to deploy a biometric attendance system and to strengthen recruitment documentation practices.
Procurement Unit	Management acknowledged the High and Extreme risk ratings recorded by the Procurement Unit, including the Extreme risk associated with understaffing and weak segregation of duties. Management confirmed that staffing constraints are a recognized institutional challenge and committed to formalizing Procurement Committee documentation, instituting quarterly procurement reporting, and requesting additional procurement staff through the appropriate channels.
Asset Management Unit	Management acknowledged the Extreme risk rating associated with the lack of comprehensive periodic physical verification of institutional assets as the most critical finding of the assessment. Management committed to conducting an annual comprehensive physical verification exercise, formalizing asset custodianship procedures, and strengthening verification of outstation assets, subject to the availability of logistical resources.
Cooperative Development Services Department	Management agreed with the finding that the absence of a centralized electronic National Cooperative Database directly affects the Department's statutory functions. Management welcomed the recommendatior to develop an integrated cooperative management information system and committed to supporting a nationwide cooperative mapping and profiling exercise, alongside continued efforts to strengthen supervisor verification and complaint feedback mechanisms.

Overall Management Commitment

The Cooperative Development Agency's management reaffirmed its commitment to transparency, accountability, and good governance, and undertook to implement the recommendations and mitigation actions contained in this report within the timeframes specified in the Risk Mitigation Plan. Management further agreed to designate Risk Mitigation Focal Persons within each assessed unit, to submit quarterly progress reports to the LACC Education and Prevention Department, and to cooperate fully with any follow-up review or subsequent Corruption Risk Assessment conducted by the Commission.

The Liberia Anti-Corruption Commission, through the Vice Executive Chairperson, welcomed the Agency's constructive engagement and full acceptance of the findings, noting that the successful completion of the validation process marks a significant milestone toward finalizing the Institutional Corruption Risk Assessment Report and implementing the agreed Corruption Risk Mitigation Plan.

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Hon. Lwopu G. Kandakai
Registrar General
Cooperative Development Agency (CDA)

Hon. Arthur W. B. Fumbah
Vice Executive Chairperson
Liberia Anti-Corruption Commission (LACC)

CONCLUSION

The Corruption Risk Assessment conducted by the Liberia Anti-Corruption Commission (LACC) identified that the Cooperative Development Agency (CDA) recorded an Overall Institutional Risk Score of 11.2, placing the Agency within the High Institutional Risk Category.

The assessment found no evidence of systemic corruption, widespread fraud, or deliberate institutional abuse. Rather, the identified risks primarily arise from weaknesses in governance structures, documentation, monitoring systems, reporting frameworks, information management, and internal control processes. Most weaknesses are procedural and systemic rather than indicative of intentional misconduct.

The highest risks are concentrated in the Procurement Unit and Asset Management Unit, with the most critical individual risk being the lack of comprehensive periodic physical verification of institutional assets (Extreme Risk). The Finance Unit and Cooperative Development Services Department demonstrated comparatively stronger control environments with Moderate risk ratings.

The key corruption risks requiring immediate management attention include:

- Weak procurement governance and documentation
- Inadequate asset accountability and verification
- Absence of employee performance management
- Limited ethics and integrity awareness
- Absence of a national cooperative database
- Understaffing and weak segregation of duties in procurement

The successful implementation of the recommendations contained in this report will significantly reduce corruption risks and improve transparency, accountability, efficiency, and public confidence in the Cooperative Development Agency. Continued management commitment, adequate resource allocation, and sustained implementation of the recommended reforms will be essential to fostering a culture of accountability and ensuring that the Agency effectively fulfills its statutory mandate.

ANNEX: OVERALL RISK SCORING MATRIX

Institutional Risk Assessment Summary

Unit/Department	Risks Assessed	Average Risk Score	Risk Level
Finance Unit	3	7.3	**Moderate**
Human Resource Unit	4	12.5	**High**
Procurement Unit	6	14.8	**High**
Asset Management Unit	6	14.2	**High**
Cooperative Development Services	3	7.3	**Moderate**

Overall Institutional Risk Score Calculation

Formula: (Sum of Unit Average Scores) ÷ (Number of Units Assessed)

Unit	Average Score
Procurement Unit	14.8
Asset Management Unit	14.2
Human Resource Unit	12.5
Cooperative Development Services	7.3
Finance Unit	7.3
TOTAL	**56.1**

OVERALL INSTITUTIONAL RISK SCORE: 11.2

Risk Level Classification

Risk Level	Score Range	Units
Extreme	20-25	1 thematic area
High	10-16	3 Units
Moderate	5-9	2 Units
Low	1-4	0 Units

Overall Institutional Risk Category: HIGH