



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On the Financial Statement Audit of the  
Liberia Social Safety Nets Project (LSSNP)**

**For the Period ended October 31,2023**

**June 2024**

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



## Table of Contents

<b>Opinion .....</b>	<b>3</b>
<b>Basis for Opinion .....</b>	<b>3</b>
<b>Management's Responsibility .....</b>	<b>4</b>
<b>Auditor's Responsibility .....</b>	<b>4</b>

### Acronyms

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
APA	Assistant Project Accountant
BRS	Bank Reconciliation Statement
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FCCA	Fellow Member of the Association of Chartered Certified Accountants
DSA	Daily Subsistence Allowance
FS	Financial Statements
GAC	General Auditing Commission
GoL	Government of Liberia
IA	Internal Auditor
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LRA	Liberia Revenue Authority
LSSNP	Liberia Social Safety Net Project
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PPC	Public Procurement and Concessions Act
PIU	Project Implementation Unit
SPA	Senior Project Accountant



## **AUDITOR GENERAL'S REPORT**

June 27, 2024

Hon. Gbeme Horace Kollie  
**Minister**  
Ministry of Gender Children and Social Protection  
Ellen Johnson Sirleaf Ministerial Complex  
Monrovia, Liberia

Dear Hon. Horace:

### **RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA SOCIAL SAFETY NETS PROJECT (LSSNP).**

#### **Opinion**

We have audited the accompanying financial statements of the Liberia Social Safety Nets Project (LSSNP) as at October 31, 2023 financed by IDA 57910, TF A6428 & TF B4346 which comprises the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

In our opinion, the accompanying financial statements IDA 57910, TF A6428 & TF B4346 present fairly, in all material respects, the Statement of Receipts and Payments as at October 31, 2023, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the World Bank guideline and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The LSSNP Management is responsible for overseeing the Project's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**Monrovia, Liberia**  
June 2024



# **Liberia Social Safety Net Project (LSSNP)**

**Financial Statement of World Bank Funded  
Project  
for the period ended October 31, 2023.  
LSSNP: Grant No. IDA 57910, TF A6428 & TF  
B4346**

**Ministry of Finance & Dev't Planning  
Project Financial Management Unit (PFMU)**

## GENERAL INFORMATION

### **P**ROJECT MANAGEMENT TEAM

#### **P**roject Financial Management Unit:

Papin Daniels, CA, CPA, CFE  
Unit Director  
Project Financial Management Unit (PFMU)

Leroy Fendor, CA, CPA  
Deputy Director

Subozu Kollie, CFE, CA, CPA  
Project Internal Auditor

#### **R**egistered Office:

Project Financial Management Unit (PFMU)  
Ministry of Finance  
Broad and Mechlin Street  
Liberia

#### **P**roject Implementation Unit:

Aurelius Butler  
Project Coordinator  
Liberia Social Safety Nets Project (LSSNP)

#### **P**roject Location:

Ministry of Gender & Social Protection  
Capitol Bye-Pass  
Liberia

#### **B**ankers:

Central Bank of Liberia, Ecobank Liberia Limited &  
GT Bank Liberia Limited  
Monrovia



## Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for Liberia Social Safety Nets project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on October 31, 2023.

This responsibility includes (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for Liberia Social Safety Nets project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The PFMU and the Project Coordinator for Liberia Social Safety Nets project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended October 31, 2023, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for Liberia Social Safety Nets project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for Liberia Social Safety Nets project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

### Approval of the Project Financial Statements

The Project financial statements were approved by the Project Financial management Unit and the Project Coordinator for Liberia Social Safety Nets project on February 28, 2024





**STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE PERIOD ENDED OCTOBER 31, 2023**

<i>In United States Dollars</i>	Notes	October 31, 2023	December 31, 2022	Cumulative
<b>Receipt</b>				
IDA Grant	4	807,166	5,809,947	17,043,963
<b>Total Receipt</b>		<b>807,166</b>	<b>5,809,947</b>	<b>17,043,963</b>
<b>Payment</b>				
Strengthening the national social safety net delivery system	5	945,980	1,024,952	2,888,088
Cash transfer to extremely poor and food insecure households	6	3,279,720	4,786,177	9,495,544
Project management and administration	7	712,767	1,332,488	3,916,948
<b>Total Payments</b>		<b>4,938,466</b>	<b>7,143,617</b>	<b>16,300,580</b>
<b>Excess of receipts over payments (payments over receipts)</b>		<b>(4,131,301)</b>	<b>(1,333,670)</b>	<b>743,383</b>
<b>Fund balance as at beginning</b>		<b>4,167,148</b>	<b>5,500,818</b>	
<b>Cumulative fund balance</b>		<b>35,847</b>	<b>4,167,148</b>	<b>743,383</b>



**STATEMENT OF FUND BALANCE AND CASH STATUS  
 FOR THE PERIOD ENDED OCTOBER 31, 2023**

9

<i>In United States Dollars</i>	Notes	October 31, 2023	December 31, 2022
<b>A Fund Balance</b>			
Balance of Project Fund		4,167,148	5,500,818
Add: Total Receipts during the period	8	<u>807,166</u>	<u>5,809,947</u>
Total Fund available for operations		4,974,313	11,310,765
Less: Total Payments during the period	9	<u>4,938,466</u>	<u>7,143,617</u>
 Balance of project fund at the end of the year		 35,847	 4,167,148
<b>B Cash Status:</b>			
Cash at Bank		<u>35,847</u>	<u>4,167,148</u>
Total Cash on hand and in bank		35,847	4,167,148
Difference between A and B		<u><u>0</u></u>	



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE ENDED JUNE 30, 2023

Analysis of Variance

Activities Within Components	Project Allocation	Annual Budget	Year to date Expenditure	Variance	% of Variance
Uses of Funds By Activity Within Components	US\$	US\$	US\$	US\$	
Strengthening the national Social Safety Net Delivery System	3,025,087	945,980	945,980	.	.
Cash Transfer to extremely poor and food insecure Households	10,500,000	3,279,720	3,279,720	.	.
Project Management and Administration	3,612,029	720,267	712,767	7,500	1.04
Grand Total	17,137,116	4,945,966	4,938,466	7,500	0.15


Variance Explanation


Variance is as a result of audit fees placed in escrow.

**STATEMENT OF FINANCIAL POSITION  
 FOR THE PERIOD ENDED OCTOBER 31, 2023**

5

<i>in United States Dollars</i>	Notes	October 31. 2023	December 31. 2022
<b>Assets</b>			
Cash and cash equivalent		<u>35,847</u>	<u>4,167,148</u>
<b>Total Assets</b>		<b>35,847</b>	<b>4,167,148</b>
<b>Fund Balance</b>			
Grants		<u>35,847</u>	<u>4,167,148</u>
<b>Accumulated Fund Balance</b>		<u><u>35,847</u></u>	<u><u>4,167,148</u></u>

  
 28/06/24  
 \_\_\_\_\_  
**Papin Daniels, Jr.**  
 Director Donor Financed Projects  
 PFMU, MFDPP

  
 28/06/24  
 \_\_\_\_\_  
**Aurelius Butler**  
 Nat'l Social Protection Coord-LSSN  
 MoGCSP



## NOTES TO FINANCIAL STATEMENTS

6

### 1. Background and Information of the Project

With support from the International Development Association and the Trust Fund (USAID Financing), the Liberia Social Safety Nets (LSSN)-project is to establish the key building blocks of a basic national safety net delivery system and provide income support to households who are both extremely poor and food insecure in the Republic of Liberia. The World Bank approved the LNSS project on April 28, 2016 with a grant amount of USD 18,900,000.00 Million. The aims of the project are:

- i. to improve efficiency, enhance capacity, and strengthen the national SSN system in Liberia through the development of the basic building blocks of a safety net delivery system
- ii. to provide income support to about 10,000 extremely poor and food insecure households in Liberia through regular cash transfers and accompanying measures
- iii. to finance project management and capacity building of the SSNP implemented by the Ministry of Gender, Children, and Social Protection, or MGCSP

### 2. Use of Grant Proceeds

The table below sets out the categories of items to be financed out of the grant proceeds, the allocation of the amounts of the grant to each category and the percentage of expenditures for items to be financed in each category:

Category	Amount of grant allocated expressed in US\$	% of expenditure to be financed
Strengthening of the national social safety net system	6,000,000	100
Cash transfers to extremely poor and food insecure households	10,800,000	100
Project management and capacity building	2,100,000	100
<b>Total</b>	<b>18,900,000</b> =====	

All categories of expenditure shown in these financial statements are fully financed based on the percentage below:

	% of Expenditure
IDA grant	100
<b>Total</b>	<b>100</b> -----

## NOTES TO FINANCIAL STATEMENTS *(continued)*

7

### 3. Significant Accounting Policies

#### Basis of accounting

The financial statements have been prepared in accordance with the Cash Basis International Public Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Grant Agreement as required by the World Bank's Operating Policies and Procedures and PFMU's Financial Management manual.

#### Reporting currency

Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of transactions. Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

#### Loan Receipts

Loan from donors for the LSSN project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called designated income account for disbursement purposes. All payments for the LSSN project and activities are made from the designated account.

#### Cash and bank balances

Cash consist of cash in hand and balance at bank.

#### Recognition of expenditure

All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the World Bank.

#### Tax

The project is 100 percent inclusive of tax.

**NOTE TO THE FINANCIAL STATEMENTS (continued)**

in United States Dollars	October 31, 2023	December 31, 2022	Cumulative
<b>4 Grant Receipt</b>			
<b>DA Financing Agreement</b>			
DA 57010	887,248	4,145,293	9,966,929
<b>TF Financing Agreement</b>			
TF A6428	(80,082)	1,436,154	3,887,034
TF B4346	-	288,947	3,887,034
<b>Total Funds Received through the Designated Account</b>	<b>807,166</b>	<b>5,869,947</b>	<b>17,643,963</b>
<b>Total Funds Received:</b>			
DA Financing Agreement	887,248	4,145,293	9,966,929
TF Financing Agreement	(80,082)	1,604,654	7,887,034
<b>Total Funds Received</b>	<b>807,166</b>	<b>5,869,947</b>	<b>17,643,963</b>
<b>5 Strengthening the national social safety net delivery system</b>			
Strengthening the operational aspects of LSSN	945,980	988,574	2,851,711
Strengthening operations of LSSN HDA	-	14,587	36,378
	<b>945,980</b>	<b>1,023,161</b>	<b>2,888,089</b>
<b>6 Cash transfer to extremely poor and food insecure households</b>			
Cash transfer to extremely poor and food insecure	3,279,720	2,260,550	9,463,779
Accompanying Measures	-	12,275	11,765
	<b>3,279,720</b>	<b>2,272,825</b>	<b>9,495,544</b>
<b>7 Project management and administration</b>			
Human resources (LSSN Secretariat, SCT & SR)	658,853	698,943	3,674,074
Capacity building and coordination (SCT & SR)	53,913	11,360	225,850
Capacity building and coordination (SCT & SR) LAOC	-	-	17,824
	<b>712,767</b>	<b>710,303</b>	<b>3,916,948</b>
<b>9 Cash paid</b>			
Strengthening the national social safety net delivery system	945,980	1,023,161	2,888,089
Cash transfer to extremely poor and food insecure household	3,279,720	2,272,825	9,495,544
Project management and administration	712,767	710,303	3,916,948
<b>Total Payments</b>	<b>4,938,467</b>	<b>3,006,289</b>	<b>16,300,581</b>



**PROJECT DESIGNATED ACCOUNT STATEMENT**

9

**Account Number:** 1602003361/1502023908  
**Account Type:** Current Account  
**Depository Bank:** Central Bank of Liberia  
**Address:** Ashmun Street  
Monrovia, Liberia

**Account Number:** 03216170020001000  
**Account Type:** Current Account  
**Depository Banks:** Ecobank Liberia Ltd  
**Address:** 13th Street, Sinkor  
Monrovia, Liberia

**Account Number:** 6101741622 & 6101741632  
**Account Type:** Current Account  
**Depository Banks:** Ecobank Liberia Ltd  
**Address:** 11th Street, Sinkor  
Monrovia, Liberia

*Currency: United States Dollar*

	October 2023	December 2022
Total Funds Received	807,166	5,809,947
<b>Total funds received in DA</b>	<b>807,166</b>	<b>5,809,947</b>
Amount spent	4,938,466	7,143,617
Balance as at beginning	4,167,148	5,500,818
<b>Balance as at October 31, 2023</b>	<b>35,847</b>	<b>4,167,148</b>
<b>Closing Balance Consist of:</b>		
Designated A/C - IDA 57910_CBL	-	-
Designated A/C - GT Bank	-	-
Designated A/C - TF A6428_CBL	-	-
Designated A/C - IDA 57910_Ecobank	28,347	2,938,046
Designated A/C - TF A6428_Ecobank	-	1,229,012
Cash on Hand-Petty Cash	-	90
Escrow Account A/C - IDA 57910_Ecobank	7,500	-
	<b>35,847</b>	<b>4,167,148</b>

