



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT



**On The Liberia Sustainable Management of Fisheries Project (LSMFP) Financial Statements**

**LSMF: PROJECT: P172012**

**LOAN No. IDA V3100, IDA D9070 & IDA 69850**

**For The Year Ended December 31, 2023**

**June 2024**

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

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**Republic of Liberia**



**AUDITOR GENERAL'S REPORT**

June 27, 2024

Hon. Emma Glassco

**Director General**

National Fisheries & Aquaculture Authority (NaFAA)

Bushrod Island

Montserrado, Liberia

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA  
SUSTAINABLE MANAGEMENT OF FISHERIES PROJECT FOR THE FINANCIAL YEAR  
ENDED DECEMBER 31, 2023.**

**Unqualified Opinion**

We have audited the accompanying financial statements of the Liberia Sustainable Management of Fisheries Project (LSMF) Project: P172012, LOAN No. IDA V3100, IDA D9070 & IDA 69850 for year ended December 31, 2023 which comprise the Statements of Receipts and payments, Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2023, the Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the period then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) 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 Liberia Sustainable Management of Fisheries (LSMF) Project Implementing Unit (PIU) of National Fisheries and Aquaculture Authority (NaFAA) in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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 Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities**

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Receipts and Payments. The procedures selected depends on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Statement of Receipts and Payments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Receipts and Payments.

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



**Monrovia, Liberia**

June 2024

**LSMFP FINANCIAL STATEMENTS DECEMBER 31, 2023.**

# **Liberia Sustainable Management of Fisheries Project**

Financial Statement of World Bank Funded  
Project  
for the year ended December 31, 2023.  
LSMF: Project: P172012  
Loan No. IDA V3100, IDA D9070 & IDA 69850

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

### 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 Sustainable Management of Fisheries 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 December 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 Sustainable Management of Fisheries 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 Sustainable Management of Fisheries 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 December 31, 2023, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for Liberia Sustainable Management of Fisheries 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 Sustainable Management of Fisheries 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 Sustainable Management of Fisheries project on 28th February 2024.

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

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<i>In United States Dollars</i>	Notes	December 31. 2023	December 31. 2022	Cummulative
<b>Receipt</b>				
IDA Grant	4	2,556,943	4,003,082	9,592,280
<b>Total Receipt</b>		<u>2,556,943</u>	<u>4,003,082</u>	<u>9,592,280</u>
<b>Payment</b>				
Component 1	5	1,353,203	889,948	2,092,251
Component 2	6	387,821	357,570	896,291
Component 3	7	139,332	-	139,332
Project Management	8	619,439	809,675	1,429,114
Project Preparation Advance	9	-	2,012	1,542,983
<b>Total Payments</b>		<u>2,499,795</u>	<u>2,059,205</u>	<u>6,099,971</u>
<b>Excess of receipts over payments (payments over receipts)</b>		57,148	1,943,877	3,492,309
<b>Fund Balance as at beginning</b>		<u>3,435,161</u>	<u>1,491,284</u>	-
<b>Cummulative fund balance</b>		<u><u>3,492,309</u></u>	<u><u>3,435,161</u></u>	<u><u>3,492,309</u></u>



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

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<i>In United States Dollars</i>	Notes	<b>December 31, 2023</b>	<b>December 31, 2023</b>
<b>A Fund Balance</b>			
<b>Balance of Project Fund</b>		<b>3,435,161</b>	<b>1,491,284</b>
Add: Total Receipts during the period		<u><b>6,251,269</b></u>	<u><b>7,050,541</b></u>
Total Fund available for operations		<b>9,686,431</b>	<b>8,541,825</b>
Less: Total Payments during the period		<u><b>2,499,795</b></u>	<u><b>2,059,205</b></u>
<b>Balance of project fund at the end of the year</b>		<b>7,186,635</b>	<b>6,482,620</b>
<b>B Cash Status:</b>			
Cash at Bank		<u><b>3,492,309</b></u>	<u><b>3,435,161</b></u>
<b>Total Cash on hand and in bank</b>		<b>3,492,309</b>	<b>3,435,161</b>
<b>Difference between A and B</b>		<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

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**Uses of Funds By Activity Within Components**

Activities Within Components	Project Allocation US\$	Annual Budget US\$	Year to date Expenditure US\$	Variance US\$	% of Variance
Component 1	11,110,000	1,397,063	1,353,203	43,860	3
Component 2	21,000,000	409,921	387,821	22,099	5
Component 3	2,000,000	175,000	139,332	35,668	20
Component 4	5,890,000	657,450	619,439	38,011	6
<b>GRAND TOTAL</b>	<b>40,000,000</b>	<b>2,639,434</b>	<b>2,499,795</b>	<b>139,638</b>	<b>5</b>


*The notes on pages 6 to 10 are integral part of these project financial reports*

**Variance Explanation**

The variances was largely due to delays in project implementation. The project experienced delays with the procurement of service providers and recruitment of project beneficiaries this was due to the elections where the approving authorities were hardly around to approve contracts for service providers that was supposed to provide support to the implementation of project activities.

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

	January to December 31, 2022	July 1, 2021 - December 31, 2021
<i>In United States Dollars</i>		
<b>Assets</b>		
Cash and cash equivalent	3,492,309	3,435,161
Total Assets	3,492,309	3,435,161
<b>Fund Balance</b>		
Grants	3,492,309	3,435,161
<b>Accumulated Fund Balance</b>	3,492,309	3,435,161

  
Papin Daniels, Jr.  
**Director, Donor Financed Projects**  
PFMU, MFDP

  
Lawrence Issah Braimah (Dr)  
**Project Coordinator**  
LSMFP, NAAFA

## NOTES TO FINANCIAL STATEMENTS

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### 1. Background and Information of the Project

With support from the International Development Association; the Liberia Sustainable Management of Fisheries Project is to improve fisheries management and enhance livelihood and income for government and targeted beneficiaries. The project design is based on a holistic and integrated approach focusing on the fisheries sector by (a) improving governance and management reforms, developing human and institutional capacity, and improving policies, strategies, institutional and legal frameworks; (b) supporting activities that aim at increasing the national value addition provided by the fisheries sector, such as the establishment of an industrial and artisanal fish landing sites at the Mesurado Pier, Monrovia, toward improving conditions for industrial fish landing and for export of high-value fish species and fish products; and (c) supporting marine fisheries production. The World Bank approved the Liberia Sustainable Management of Fisheries Project on January 21, 2020 with a grant amount of USD 3,678,895.56.

The Project consists of the following components:

#### **Component 1: Improving management of selected fisheries**

##### **Sub-component 1.1. Institutional strengthening and capacity building.**

This sub-component will support ongoing reforms of key aspects of the sector's institutional, policy and legislative regimes, and also strengthen and equip national and sub-national fisheries institutions with capacity to sustainably manage the sector and fisheries resources. The component will also support enhancing cooperation and coordination mechanisms and capacity building across the various sector actors.

##### **Sub-component 1.2. Improving management of selected fisheries.**

This sub-component will sustain and enhance the national fisheries reform results obtained during the WARF-P project and prepare Liberia for the long-term goal of sustainable fisheries sector growth led by the private sector and embracing stronger and sustained participation by fishing communities.

#### **Component 2: Improving handling of fish and fish products**

##### **Sub-component 2.1. Strengthening national post-harvest value systems.**

This sub-component will support (i) procurement of fishing equipment and gears, including fiber glass semi-industrial vessels for piloting in 9 counties; (ii) expansion of the NaFAA office to create additional work space for project and NaFAA staff; (iii) construction/expansion of the fishery hub at the Mesurado pier which is under development in Monrovia to provide for a semi industrial and artisanal fish landing site with shore facilities for fish auction, processing and marketing, and provision for private sector investment in ice production and chill storage.

##### **Sub-component 2.2. Support focused on women.**

As women are important players in the fisheries sector in Liberia, particularly in the post-harvest sector, the project will have specific activities to support women and women entrepreneurship development, including financial management.

#### **Component 4: Support to Aquaculture Development**

This component will support hatchery support and strengthen extension and advisory services, deepening the engagement of private sector in aquaculture and promoting climate smart technology in aquaculture for enhanced productivity.

#### **Component 4: Project management**

This component will support the implementation, management, coordination and oversight of the proposed project, including establishing and implementing a simple and smart monitoring and evaluation (M&E) system, and training of the implementing entities on applying the new World Bank's environmental and social framework (ESF) and standards (ESS). Among others, this component will also finance the establishment and operations of project implementation units/entities (PIUs), including the salaries of staff hired to implement the proposed project. Furthermore, the component will provide funds for new and relevant studies identified and agreed during implementation of the project. Funds from this component can also be used to prepare follow on projects or additional financing.



## NOTES TO FINANCIAL STATEMENTS

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### Project Preparation Advance

The Government will be submitting a request for a project preparatory advance (PPA) to finance a number of preparatory activities, including consultancy services and studies, non-consultancy services, operation and maintenance as well salaries of project staff. The estimate under the PPA amounts to US\$3,678,895.56 and will be part of the total project envelope of US\$40 million.

### 2. Use of Grant Proceeds

The table below sets out the activities to be financed out of the grant proceeds, the allocation of the amounts of the grant to each activity is shown below:

Activities	Amount of grant allocated US\$
Improving management of selected fisheries	11,110,000.00
Improving handling of fish and fish products	21,000,000.00
Support to Aquaculture	2,000,000.00
Project management	3,704,602.78
Project Preparation Advance	<u>2,185,397.22</u>
	<b><u>40,000,000.00</u></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><u>100</u></b>
	<b>=====</b>

## **NOTES TO FINANCIAL STATEMENTS**

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### **3. Significant Accounting Policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with the Cash Basis International Public Sector 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 LSMF project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called deferred income account for transitory purposes. Amounts approved for disbursement are transferred from the deferred account into another bank account called the designated account. All payments for the LSMF 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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	December 31. 2023	December 31. 2022	Cummulative
<i>In United States Dollars</i>			
<b>4 Fund Received in DA</b>			
IDA V3100	-	-	3,030,440
IDA D9070	2,556,943	4,002,582	6,559,525
Other Receipts	-	500	2,315
<b>Total funds received in DA</b>	<b>2,556,943</b>	<b>4,003,082</b>	<b>9,592,280</b>
<b>Third Party Payments</b>			
IDA V3100	-	-	642,415
IDA D9070	3,694,326	1,223,409	4,917,736
	<b>3,694,326</b>	<b>1,223,409</b>	<b>5,560,150</b>
<b>5 Improving management and governance of fisheries</b>			
Institutional Strengthening and Capacity Building	686,649	419,335	1,105,984
Improving Management of Selected Fisheries	384,148	163,277	547,425
Support to management of information on fisheries	244,028	306,587	399,715
Support to community-led fisheries management	38,378	750	39,128
	<b>1,353,203</b>	<b>889,948</b>	<b>2,092,251</b>
<b>6 Improving value - addition of fish and fish products</b>			
Strengthening national post-harvest value systems	290,739	356,670	798,308
Support focus on women	97,083	900.00	97,983
	<b>387,821</b>	<b>357,570</b>	<b>896,291</b>
<b>7 Improving value - addition of fish and fish products</b>			
Hatchery support and strengthening of extension and advisory services	138,157	-	138,157
Deepening the engagement of private sector in aquaculture	1,175	-	1,175
Promoting climate smart technology in aquaculture for enhanced productivity	-	-	-
	<b>139,332</b>	<b>-</b>	<b>139,332</b>
<b>7 Project Management</b>	<b>619,439</b>	<b>809,675</b>	<b>1,429,114</b>
<b>8 Project Preparation Advance</b>	<b>-</b>	<b>2,012</b>	<b>1,542,983</b>
<b>9 Contingent Emergency Response Component (CERC)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>619,439</b>	<b>811,687</b>	<b>2,972,096</b>
<b>9 Cash receipts through the Designated Account</b>			
IDA grant	2,556,943	4,003,082	9,592,280

NOTES TO THE FINANCIAL STATEMENTS (continued)

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		December 31. 2023	December 31. 2022	Cummulative
<i>In United States Dollars</i>				
<b>10 Cash paid</b>				
Improving management and governance of fisheries	1,353,203	889,948	2,092,251	
Improving value - addition of fish and fish products	387,821	357,570	896,291	
Improving value - addition of fish and fish products	139,332	-	139,332	
Project Management	619,439	809,675	1,429,114	
Project Preparation Advance	-	2,012	1,542,983	
<b>Total Payments</b>	<b>2,499,795</b>	<b>2,059,205</b>	<b>6,099,971</b>	

**Note:**

The third party payments which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the World Bank and thus required disclosures. These payments are available for review upon request by the auditors



**PROJECT DESIGNATED ACCOUNT STATEMENT**

**11**

**Account Number:** 6101700972  
**Account Type:** Current Account  
**Depository Bank:** Ecobank (Liberia) Limited  
**Address:** 11th Street, Sinkor  
Monrovia, Liberia

**Currency:** United States Dollar

	<b>December 31. 2023</b>	<b>December 31. 2022</b>
Total Funds Received	<u>2,556,943</u>	<u>4,003,082</u>
<b>Total funds received in DA</b>	<b>2,556,943</b>	<b>4,003,082</b>
Amount spent	<u>2,499,795</u>	<u>2,059,205</u>
Balance as at beginning	<u>3,435,161</u>	<u>1,491,284</u>
<b>Balance as at December 31, 2022</b>	<b><u>3,492,309</u></b>	<b><u>3,435,161</u></b>
<b>Closing Balance Consist of:</b>		
Petty Cash-LSMFP	373	-
Petty Cash-CMA	-	-
Eco Bank (6101700972)	-	-
Eco Bank (6101852102)	<u>3,491,936</u>	<u>3,435,161</u>
	<b><u>3,492,309</u></b>	<b><u>3,435,161</u></b>