



**Promoting Accountability of Public Resources**

## **AUDITOR GENERAL'S REPORT**



**On the Financial Statements Audit of the Liberia Learning Foundations (LLF) Project for the Period January 1, 2023 to December 31, 2023**

**Project Number      LLFP: P172705**  
**Loan Number:      TF B5369**

**June 2024**

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

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### **Acronyms/Abbreviations**

<b>Acronyms/Abbreviations</b>	<b>Meaning</b>
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
DA	Designated Account
DLI	Disbursement Link Indicators
EEP	Eligible Expenditure Program
ESDC	Education Sector Development Committee
FAR	Fixed Asset Register
FASB	Financial Accounting Standards Board
FCCA	Fellow Association of Chartered Certified Accountants
GAC	General Auditing Commission
GOL	Government of Liberia
GST	Goods and Services Tax
IA	Internal Audit
IAS	International Accounting Standards
IFR	Interim Financial Report
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
INTOSAI	International Organization of Supreme Audit Institutions
IPSA	International Public Sector Accounting Framework
ISAs	International Standards on Auditing
ISSAIs	International Standards of Supreme Audit Institutions
LLF	Liberia Learning Foundations (LLF) Project
MFDP	Ministry of Finance and Development Planning
MOE	Ministry of Education
NGOs	Non-governmental Organizations
PDT	Project Delivery Team
PFM	Project Financial Management Manual
PFM	Public Financial Management
PFMU	Public Financial Management Unit
PIM	Project Implementation Manual
PIU	Project Implementation Unit (Same as PDT)
PPCC	Public Procurement and Concession Commission
PRC	Procurement Review Committee
SMC	School Management Committee
SMT	Senior Management Team
SOE	Statement of Expenditure
US\$	United States Dollar
WB	World Bank



## **Auditor General's Report**



June 20, 2024

Dr. Jarso Maley Jallah  
**Minister**  
Ministry of Education (MOE)  
EJS Ministerial Complex  
Monrovia, Liberia

**Ref: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF LIBERIA  
LEARNING FOUNDATIONS (LLFP), Project Number LLFP: PI72705; LOAN NUMBER:  
TF B5369 FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

### **Unqualified Opinion**

We have audited the accompanying financial statements of the Liberia Learning Foundations (LLF) Project for the period ended December 31, 2023, which comprise Statements of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a Summary of significant accounting policies and explanatory information.

In our opinion, the accompanying Statements of Liberia Learning Foundations Project (LLFP), Number P172705; Loan Number: TF B5369 present fairly in all material respects, the Statement of Receipts and Payments as at December 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. 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 Responsibility for the Statement of Receipts and Payments**

Management is responsible for the preparation and fair presentation of the Statement of Receipts and Payments in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting and for such internal control as Management determines is necessary to enable the preparation of Statement of Receipt and Payment 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 LLFP Management is responsible for overseeing the Project's financial reporting process.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on Statement of Receipts and Payments based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) and the World Bank Guidelines. Those standards and the applicable World Bank guidelines required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement of Receipts and Payments are free of material misstatement.

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

# **Liberia Learning Foundations Project (LLFP)**

Financial Statement of World Bank Funded  
Project

for the year ended December 31, 2023.

LLFP: P172705: Loan No: TF B5369

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

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## 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 Learning Foundation 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.

The 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 misstatement, 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 Learning Foundation 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 Learning Foundation 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 Learning Foundation 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 Learning Foundation 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 Learning Foundation project on 28th February 2024



## GENERAL INFORMATION

### PROJECT MANAGEMENT TEAM

<b>Project Financial Management Unit:</b>	Papin Daniels, Jr, CA, CPA, CFE Unit Director Project Financial Management Unit (PFMU)
	Leroy N. Fendor, CA, CPA Deputy Director
	Subozu Kollie, CFE, CA, CPA Project Internal Auditor
<b>Registered Office:</b>	Project Financial Management Unit (PFMU) Ministry of Finance Broad and Mechlin Street Liberia
<b>Project Implementation Unit:</b>	Joe K. Gbasakollie Project Coordinator Liberia Learning Foundation Project (LLFP)
<b>Project Location:</b>	Ministry of Education Inter-Ministerial Complex Liberia
<b>Banker:</b>	International Bank Liberia Limited (IBLL) 11 <sup>th</sup> Street, Sinkor Monrovia

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

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*In United States Dollars*

	Notes	December 31, 2023	Restated Balance December 31, 2022	Cummulative
<b>Receipt</b>				
TF Grant	4	1,763,834	961,412	3,577,101
<b>Total Receipt</b>		<u>1,763,834</u>	<u>961,412</u>	<u>3,577,101</u>
<b>Payment</b>				
Improving access to Early Childhood Education (ECE) in targeted counties	5	1,860,763	383,511	2,244,274
Achieving better learning through equity, efficiency and accountability	6	-	-	-
Strengthening project management and sector support and coordination	7	259,229	280,568	622,280
<b>Total Payments</b>		<u>2,119,992</u>	<u>664,079</u>	<u>2,866,554</u>
<b>Excess of receipts over payments (payments over receipts)</b>		<u>(356,157)</u>	<u>297,334</u>	<u>710,547</u>
<b>Fund Balance as at beginning</b>		<u>1,065,534</u>	<u>768,201</u>	<u>-</u>
<b>Cummulative fund balance</b>		<u>709,377</u>	<u>1,065,534</u>	<u>710,547</u>

*The notes on pages 6 to 8 are integral part of these project financial reports*

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

**3**

<i>In United States Dollars</i>	<b>December 31, 2023</b>	<b>Restated Balance December 31, 2022</b>
<b>A Fund Balance</b>		
Balance of Project Fund	<b>1,065,534</b>	768,201
Add: Total Receipts during the period	<b>1,763,834</b>	961,412
Total Fund available for operations	<b>2,829,369</b>	1,729,613
Less: Total Payments during the period	<b>2,119,992</b>	664,079
Balance of project fund at the end of the year	<b>709,377</b>	1,065,534
<b>B Cash Status:</b>		
Cash at Bank	<b>709,377</b>	1,065,534
Total Cash on hand and in bank	<b>709,377</b>	1,065,534
Difference between A and B	<b>-</b>	-

*The notes on pages 6 to 8 are integral part of these project financial reports*

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

**Ananalysis of Variance**

4

<b>Activities Within Components</b>				
	<b>Project Allocation</b>	<b>Annual</b>	<b>Actual Expenditure</b>	<b>Variance</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Improving access to Early Childhood Education (ECE) in targeted counties	3,140,000	1,917,158	1,860,763	56,395
Achieving better learning through equity, efficiency and accountability	1,770,000	-	-	-
Strengthening project management and sector support and coordination	690,000	263,432	259,229	4,203
<b>Total</b>	<b>5,600,000</b>	<b>2,180,590</b>	<b>2,119,992</b>	<b>60,598</b>

*The notes on pages 6 to 8 are integral part of these project financial reports*

**Variance Explanation**

Under component 1, variance in expenditure is as a result of delay in request for one contractor. This payment is expected to be concluded in the early half of 2024, since indeed the project was extended for six months to allow for the full completion of all construction activities.



**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

**5**

*In United States Dollars*

	<b>December 31, 2023</b>	December 31, 2022
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**Assets**

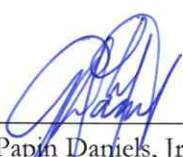
Cash and cash equivalent	<u>709,377</u>	<u>1,065,534</u>
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Total Assets	<u>709,377</u>	<u>1,065,534</u>
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**Fund Balance**

Grants	<u>709,377</u>	<u>1,065,534</u>
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<b>Accumulated Fund Balance</b>	<u><u>709,377</u></u>	<u><u>1,065,534</u></u>
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 28/02/24  
 \_\_\_\_\_  
 Papin Daniels, Jr.  
 Director, Donor Financed Projects  
 PFMU, MFDP

 28/02/24  
 \_\_\_\_\_  
 Joe Gbassakollie  
 Project Coordinator-LLF  
 MOE

*The notes on pages 6 to 12 are integral part of these project financial reports*

**1. Background and Information of the Project**

With support from the World Bank, the Liberia Learning Foundation-project is geared towards improving access to early childhood education in targeted counties with improved teacher deployment. The LLF project was approved by the World Bank on April 29, 2021 with a grant amount of USD 5.605 Million. The aims of the project are:

- i. To improve access to early childhood education (ECE) in targeted counties, has the following sub-components: (i) Construction of ECE classrooms, latrines and water systems; (ii) Provision of ECE teaching and learning materials; and (iii) Accelerated education for overage students;
- ii. To improve learning outcomes through increased equity, efficiency, and accountability, and provides financing through three Performance-Based Conditions (PBCs) to incentivize improvements in equity, efficiency, and learning outcomes in the education system;
- iii. Strengthen project management and sector support and coordination, which aims to support the Ministry of Education (MOE) in the areas of project management, coordination, monitoring and evaluation (M&E) including Independent Verification Agency (IVA), financial management (FM), procurement, and environmental and social management.

**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
Improving access to Early Childhood Education (ECE) in targeted counties	3,140,000	100
Achieving better learning through equity, efficiency and accountability	1,770,000	100
Strengthening project management and sector support and coordination	690,000	100
<b>Total</b>	<b>5,600,000</b> =====	

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

	% of Expenditure
IDA	100
<b>Total</b>	<b>100</b> =====

**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 LLF 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 LLF 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. Taxes are withheld on consultants and vendors.

<i>In United States Dollars</i>		December 31, 2023	Restated Balance December 31, 2022	Adjustment	Audited Balance	Cumulative
<b>4</b>	<b>Funds Received in DA</b>					
	TFB5369	1,763,834	961,412	-	961,412	3,577,101
	<b>Third Party Payment</b>					
	TFB5369 - Direct Payment	121,266	821,766	-	821,766	943,033
<b>5</b>	<b>Improving access to Early Childhood Education (ECE) in targeted counties</b>					
	Construction of ECE classrooms, latrines and water systems	1,206,404	41,424	38,439	2,985	1,247,828
	Provision of ECE teaching and learning materials	121,226	196,326	66,690	129,636	317,552
	Construction of ECE classrooms, latrines and water systems	533,133	145,761	(70,126)	215,887	678,894
		<u>1,860,763</u>	<u>383,511</u>	<u>35,003</u>	<u>348,508</u>	<u>2,244,274</u>
<b>6</b>	<b>Achieving better learning through equity, efficiency and accountability</b>					
	PBC1 - To increase in the proportion of qualified ECE and primary teachers in the targeted counties (Equity)	-	-	(700,000)	700,000	-
		-	-	(700,000)	700,000	-
<b>7</b>	<b>Strengthening project management and sector support and coordination</b>					
	Strengthening project management and sector support and coordination	259,229	280,568	(156,769)	437,337	622,280
		<u>259,229</u>	<u>280,568</u>	<u>(156,769)</u>	<u>437,337</u>	<u>622,280</u>
<b>10</b>	<b>Cash receipts through grant and other Sources</b>					
	IDA grant	1,763,834	961,412	(821,766)	1,783,178	3,577,101
<b>11</b>	<b>Cash paid</b>					
	Improving access to Early Childhood Education (ECE) in targeted counties	1,860,763	383,511	35,003	348,508	2,244,274
	Achieving better learning through equity, efficiency and accountability	-	-	(700,000)	700,000	-
	Strengthening project management and sector support and coordination	259,229	280,568	(156,769)	437,337	622,280
	<b>Total Payments</b>	<u>2,119,992</u>	<u>664,079</u>	<u>(821,766)</u>	<u>1,485,845</u>	<u>2,866,554</u>

**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****9**

**Account Number:** 121971275820102  
**Account Type:** Current Account  
**Depository Bank (s):** International Bank 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	<b>1,763,834</b>	<b>961,412</b>
<b>Total funds received in DA</b>	<b>1,763,834</b>	<b>961,412</b>
Amount spent	<b>2,119,992</b>	<b>664,079</b>
Balance as at beginning	<b>1,065,534</b>	<b>768,201</b>
<b>Balance as at December 31, 2023</b>	<b>709,377</b>	<b>1,065,534</b>
<b>Closing Balance Consist of:</b>		
Petty Cash	-	250
TF Designated A/c-IB	<b>709,377</b>	<b>1,065,284</b>
	<b>709,377</b>	<b>1,065,534</b>



