



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**ON THE LIBERIA INVESTMENT, FINANCE
AND TRADE PROJECT (LIFT-P) FINANCIAL
STATEMENTS LIFT-P: P171997**

Credit: No. IDA V3830 and IDA 70370

Grant No. IDA D9690

*For the Period November 12, 2022 to
December 31, 2023*

June 2024

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



Table of Contents

Unqualified Opinion.....	3
Basis for Opinion.....	3
Management’s Responsibilities.....	4
Auditor’s Responsibilities.....	4



Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
CBL	Central Bank of Liberia
CERC	Contingent Emergency Response Component
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CPA	Certified Public Accountant
FCCA	Fellow Member of the Association of Chartered Certified Accountants
ERTP	Economic Recovery and Transformation Project
GAC	General Auditing Commission
GoL	Government of Liberia
IDA	International Development Association
IPSAS	International Public Sector Accounting Standards
IUFR	Interim Unaudited Financial Reports
LIFT-P	Liberia Investment, Finance and Trade Project
M & E	Monitoring and Evaluation
MOCI	Ministry of Commerce and Industry
MSC	Ministerial Steering Committee
PAD	Project Appraisal Document
PC	Project Coordinator
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PIU	Project Implementation Unit
POM	Project Operational Manual
PPA	Project Preparatory Advance
PPC Act	Public Procurement & Concessions Act
PPCC	Public Procurement and Concessions Commission
PV	Payment Voucher
SMEs	Small and Medium Enterprises
SMT	Senior Management Team
SPA	Senior Project Accountant
TC	Technical Committee
TIMAs	Technical Implementing Ministries and Agencies
US\$	United States Dollar
WB	World Bank





AUDITOR GENERAL'S REPORT

June 27, 2024

Hon. Amin Modad

Minister

Ministry of Commerce and Industry (MOCI)

EJS Ministerial Complex

Monrovia, Liberia

FINANCIAL STATEMENTS AUDIT OF THE LIBERIA INVESTMENT, FINANCE AND TRADE PROJECT (LIFT-P) FOR THE PERIOD NOVEMBER 12, 2022 TO DECEMBER 31, 2023

Unqualified Opinion

We have audited the financial statements of the Liberia Investment, Finance and Trade Project (LIFT-P) for the period November 12, 2022 to December 31, 2023, which comprise the statement of Receipts and Payments, and the statement of Comparison of Budget and Actual Amounts and 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 for the period ended December 31, 2023, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the period ended December 31, 2023 in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with the 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 LIFT Project 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 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 Responsibilities

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 LIFT-P is responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities

Our responsibility is to express an opinion on the Financial Statements 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 guidelines required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 financial statements 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 financial statements.

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

Monrovia, Liberia

June 2024



Liberia Investment, Finance and Trade Project (LIFTP)

Financial Statement of World Bank Funded
Project
for the period ended November 12, 2022 to
December 31, 2023.
LIFTP: P171997:
Credit No. IDA V3830 & IDA 70370
Grant No. IDA D9690

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 Investment, Finance & Trade project (use the correct title designation) 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 (v) making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for Liberia Investment, Finance & Trade 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 Investment, Finance & Trade 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 Investment, Finance & Trade 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 Investment, Finance & Trade 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 Investment, Finance & Trade project on 28th February 2024



GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:	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
Registered Office:	Project Financial Management Unit (PFMU) Ministry of Finance Broad and Mechlin Street Liberia
Project Implementation Unit:	Joseph Y. Howe Project Coordinator Liberia Investment, Finance & Trade Project (LIFTP)
Project Location:	LISCR Building 5 th Street, Sinkor Monrovia, Liberia
Banker:	Ecobank Liberia Limited 11 th Street Sinkor Monrovia



LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
 STATEMENT OF RECEIPTS AND PAYMENTS
 FOR THE PERIOD ENDED NOVEMBER 12, 2022 TO DECEMBER 31, 2023

2

<i>In United States Dollars</i>	Notes	November 12, 2022 to December 31, 2023	November 11, 2022	Cumulative
Receipt				
IDA Grant & Credit	4	2,000,000	371,080	2,371,080
Total Receipt		<u>2,000,000</u>	<u>371,080</u>	<u>2,371,080</u>
Payments				
Investment Climate and Trade	5	143,342	-	143,342
SME Access to Markets and Finance	6	19,058	-	19,058
Digital Financial Services Infrastructure	7	11,946	-	11,946
Project Management + CERC	8	835,133	287,518	1,171,505
Total Payments		<u>1,009,479</u>	<u>287,518</u>	<u>1,345,850</u>
Excess of receipts over payments (payments over receipts)		990,521	83,561	1,025,229
Fund Balance as at beginning		83,561	-	-
Cummulative fund balance		<u>1,074,082</u>	<u>83,561</u>	<u>1,025,229</u>

Note: This is the first year therefore there are no comparative figures



LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
STATEMENT OF FUND BALANCE AND CASH STATUS 3
FOR THE PERIOD ENDED NOVEMBER 12, 2022 TO DECEMBER 31, 2023

<i>In United States Dollars</i>	Notes	November 12, 2022 to December 31, 2023	November 11, 2022
A Fund Balance			
Balance of Project Fund		83,561	-
Add: Total Receipts during the period		2,000,000	371,080
Total Fund available for operations		2,083,561	371,080
Less: Total Payments during the period		1,009,479	287,518
Balance of project fund at the end of the year		1,074,082	83,561
B Cash Status:			
Cash at Bank		1,074,082	83,561
Total Cash on hand and in bank		1,074,082	83,561
Difference between A and B		-	-

Note: This is the first year therefore there are no comparative figures



LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)

4

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD DECEMBER 31, 2023

Ananalysis of Variance

Activities Within Components	Project	Annual	Actual	
	Allocation		Expenditure	Variance
	US\$	US\$	US\$	US\$
Investment Climate and Trade	16,000,000	6,628,632	143,342	6,485,290
SME Access to Markets and Finance	11,000,000	5,186,928	19,058	5,167,871
Digital Financial Services Infrastructure	9,000,000	5,202,400	11,946	5,190,454
Project Management + CERC	4,000,000	1,397,315	835,133	562,182
Total	40,000,000	18,415,275	1,069,479	17,405,796

The notes on pages 6 to 9 are integral part of these project financial reports

Variance Explanation

When the PIU first developed its AWP, the Fiscal Year was from July to June. The budget of 2023 was the first major AWP the PIU ever developed. By March 2023, the budget was still not touched because by then all the Terms of References have not been finalized and approved by the World Bank. By the end of April (26th -29th) 2023, the PIU held a combined World Bank Mission and TIMA Engagement Workshop in Ganta where ToRs were finalized 90%. The PIU stated going to the markets by July 2023; this caused major procurement activities to run into the elections. By June-July 2023, the PIU and the WB agreed to realistically do a rough projection for spending judging from the upcoming elections and slow responses from some TIMAs. The Projection was made for Q1 (July 2023) to Q4 (June 2024) with the total amount of US\$9,205,154.76. Please see attached copy of the projection. Why procurement activities were ongoing, the elections results showed that there was an eminent transition to a new administration. The transition made it almost impossible to get cooperation from many outgoing heads of TIMAs. The transition set in from November almost to end of March 2024. This was so because for example, the Minister of the Commerce and Industry who doubles as Chairperson of the National Project Steering Committee (NPSC) was confirmed by the Liberian Senate on February 8, 2024. Since he needed time to acquaint himself with the Project and know what he was signing to, he could only sign pending commitments and salary for staff. You will observe that from this period, the PIU disbursement rating started going up in 2024. Note also that by mid-2023, the Ministry of Finance has instructed all donor funded projects that were using July-June Fiscal Year to transit to Jan-Dec Fiscal Year, an instruction which was effected as of January 2024. These were the reasons why the PIU could not meet its budgeted target as planned, causing such a huge variance; it is hoped that we will do better in 2024.




LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

5

<i>In United States Dollars</i>	Notes	November 12, 2022 to December 31, 2023	November 11, 2022
Assets			
Cash and cash equivalent		1,074,082	83,561
Total Assets		1,074,082	83,561
Fund Balance			
Grants		1,074,082	83,561
Accumulated Fund Balance		1,074,082	83,561

Note: This is the first year therefore there are no comparative figures


 28/06/24

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


 28-06-24

Joseph Howe
Project Coordinator-LIFT
MOCI



NOTES TO FINANCIAL STATEMENTS

6

1. Background and Information of the Project

With support from the World Bank (WB); the Liberia Investment, Finance & Trade project is to improve the investment climate, strengthen firm capabilities, expand financial access and help formal MSMEs recover from the impact of the COVID-19 pandemic. The LIFT project was approved by the World Bank on September 21, 2021 with a Preparatory advance amount of USD 1.213 Million. The aims of the project are:

- i. To support improvements in Liberia’s regulatory environment by strengthening key institutions providing Government to Business (G2B) services covering international trade, foreign investment, and business entry. It will also build on and complement the deep advisory work that has been carried out in recent years by the IFC which will continue through the initial implementation stages of the project;
- ii. To improve private sector capabilities and competitiveness at the firm level as well as stimulate youth and women entrepreneurship to support the recovery phase. It is also geared towards strengthening the entrepreneurship ecosystem to support the emergence of dynamic, resilient and productive firms in Liberia and in doing so support the transformation of Liberia’s economy;
- iii. To build on the Ebola-response MSME Finance Facility which had the PDO of developing a framework to provide MSMEs finance on sustainable terms, enhance the capacity of local financial institutions to lend profitably to MSMEs and objectively measure outcomes.
- iv. To support: (i) Government and other actors capacity strengthening for the coordination, design, and implementation; (ii) the administrative, technical, and financial management of the project by Project Implementation Unit (PIU) under the oversight of Project Steering Committee; (iii) the coordination among all institutional partners to ensure the efficient flow of information among all actors and coordination with the private sector; (iv) the establishment of monitoring and evaluation mechanism of the project’s results and impact; (v) the development of communication activities to publicize and disseminate project results, best practice, and success stories; (vi) impact evaluations.
- v. A provisional zero amount component to allow for rapid reallocation of loan proceeds from other project components during an emergency.

2. Use of Grant Proceeds

The table below sets out the categories of items to be financed out of the grant and credits 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
Investment Climate and Trade	16,000,000	100
SME Access to Markets and Finance	11,000,000	100
Digital Financial Services Infrastructure	9,000,000	100
Program Implementation, Capacity Building and Coordination	4,000,000	100
Total	40,000,000 =====	



NOTES TO FINANCIAL STATEMENTS (continued)

7

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

	% of Expenditure
IDA	100
Total	<hr style="width: 50%; margin: auto;"/> 100 =====

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.

Grant and Credit Receipts

Grants and Credits from donors for the LIFTP 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 transitory purposes. Amounts approved for disbursement are transferred from the designated account into another bank account called the operational account. All payments for the LIFTP project and activities are made from the designated account.

Cash and bank balances

Cash consist of cash in hand, balance at bank and advance that are given to implementing partners if possible.

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.

Funding Source

Funding sources under the project is being shared on a pro-rata basis for IDA credit and the grant component at 48% and 52% respectively.

Comparative Analysis

The Project Preparation Facility was only for 11 months (from January 2022 to November 11 2022). The current year of the main project runs from November 12, 2022 to December 31, 2023 thus making it 13 months. However, these figures cannot be compared.



LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8

<i>In United States Dollars</i>	November 12, 2022 to December 31, 2023	November 11, 2022	Cumulative
4 Funds Received in DA			
IDA V3830	-	371,080	371,080
IDA 70370	2,000,000	-	2,000,000
	2,000,000	371,080	2,371,080
Third Party Payment			
IDA 70370 -Direct Payment	381,269	-	381,269
IDA V3830 -Direct Payment	-	136,892	136,892
	381,269	136,892	518,161
Total Balance of Undrawn Funds at the end of the period			
IDA 70370 -IDA Credit	16,259,448	19,690,671	-
IDA D9690 -IDA Grant	19,690,671	19,690,671	-
IDA V3830 -IDA Project Preparation Facility	-	705,028	-
Total Undrawn Funds	35,950,119	40,086,370	-
5 Investment Climate and Trade			
Private Investment Support	143,342	-	143,342
Business Registration: One Stop Shop	-	-	-
Trade: National Single Window	-	-	-
	143,342	-	143,342
6 SME Access to Markets and Finance			
SME Access to Markets	17,906	-	17,906
SME Access to Finance	1,152	-	1,152
	19,058	-	19,058
7 Digital Financial Services Infrastructure			
National Electronic Payments Switch	11,946	-	11,946
Credit Registry	-	-	-
	11,946	-	11,946
8 Project Management + CERC			
PIU + CERC	835,133	-	883,986
PPA	-	287,518	287,518
	835,133	287,518	1,171,505
9 Cash receipts through the Designated Account			
IDA grant & credit	2,000,000	371,080	2,371,080
10 Cash paid			



LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

9

	November 12, 2022 to December 31, 2023	November 11, 2022	Cummulative
<i>In United States Dollars</i>			
Investment Climate and Trade	143,342	-	143,342
SME Access to Markets and Finance	19,058	-	19,058
Digital Financial Services Infrastructure	11,946	-	11,946
Project Management + CERC	835,133	287,518	1,171,505
Total Payments	<u>1,009,479</u>	<u>287,518</u>	<u>1,345,850</u>
11 Fixed Assets purchased in the year			
Office Equipment and Furniture	-	87,050	
Vehicles	381,269	-	
Total fixed assets purchaed in the year	<u>381,269</u>	<u>87,050</u>	
12 Commitment in contracts			
Seth A. Larmie	-	6,000.00	
Kollie B. Dogba	-	850.00	
Julius M. Vanyanbah	35,350.00	-	
Joseph Toh Hinnch	35,350.00	-	
Jefferson P. Dahn	38,850.00	-	
Doegbazee Zaza	38,500.00	-	
Julius Yenwon Saye Keh-Nel	55,500.00	-	
Patrick E. Paye	50,350.00	-	
James G. Quiqui	59,650.00	-	
Ahmed A Elayan	5,616.16	-	
Fahn Dahkanah	27,300.00	-	
Julie L. Kollie	4,666.72	-	
Youngorseveh Lamine	1,260.00	-	
Joseph Y. Howe	51,750.00	-	
Total commitments for the period	<u>404,142.88</u>	<u>6,850.00</u>	



**LIBERIA INVESTMENT FINANCE & TRADE PROJECT (LIFTP)
 PROJECT DESIGNATED ACCOUNT STATEMENT**

10

Account Number: 6101834342/6101905782
Account Type: Current Account
Depository Bank (s): Ecobank
Address: 11th Street, Sinkor
 Monrovia, Liberia

Currency: United States Dollar

	December 31, 2023	December 31, 2022
Total Funds Received	2,000,000	371,080
Total funds received in DA	2,000,000	371,080
Amount spent	1,009,479	287,518
Balance as at beginning	83,561	-
Balance as at December 31, 2023	1,074,082	83,561
Closing Balance Consist of:		
Petty Cash	3,000	-
Designated A/c-Ecobank	1,070,750	-
PPA Designated A/c-Ecobank	332	83,561
	1,074,082	83,561

