

Management Letter

On the Financial Statements Audit of the Improving Results for Secondary Education Project (IRISE)

For the Year Ended December 31, 2023



Promoting Accountability of Public Resources

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

Monrovia, Liberia
June 2024

Table of Contents

1	DETAILED FINDINGS AND RECOMMENDATIONS	6
1.0.1	Financial Statements Submitted after Statutory Period	6
1.0.2	Non-disclosure of Fixed Assets in the Notes Financial Statements.....	7
1.0.3	Stale Checks.....	8
1.0.4	No Evidence of DSA Payment to Beneficiaries.....	9
1.0.5	Irregularities Associated with Hydroplan Supervision Firm Contract	10
1.0.6	Female Guidance Counsellors Absent from Schools Visited	13
1.0.7	Irregularities Associated with IRISE Scholarship Payment.....	16
1.0.8	Irregularity Associated with ICT Equipment (computers and printers).....	19
1.0.9	Delay in the Construction of Three Super Senior High Schools	20
1.0.10	Delay in the Expansion Works of 20 Junior Secondary Schools (JSS)	22
1.0.11	Abandoned Construction Site by Constructors	25
1.0.12	Deficient Construction Work.....	27
1.0.13	Lack of Effective Monitoring and Evaluation of Projects	29
	STATUSES ON THE IMPLEMENTATION of PRIOR YEAR AUDIT RECOMMENDATION	31

Acronyms

Acronyms/Abbreviations	Meaning
CEA	Community Empowerment Approach
CFIP	Certified Forensic Investigation Professional
CFC	Certified Financial Consultant
DLI	Disbursement Link Indicators
DA	Designated Account
ESDC	Education Sector Development Committee
EEP	Eligible Expenditure Program
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FAR	Fixed Asset Register
FASB	Financial Accounting Standards Board
GAC	General Auditing Commission
IRISE	Improving Results for Secondary Education Project
GOL	Government of Liberia
IA	Internal Audit
IAS	International Accounting Standards
IFR	Interim Financial Report
IFRS	International Financial Reporting Standards
IPSA	International Public Sector Accounting Framework
IIA	Institute of Internal Auditors
INTOSAI	International Organization of Supreme Audit Institutions
ISAs	International Standards on Auditing
ISSAIs	International Standards of Supreme Audit Institutions
JSS	Junior Secondary School
MFDP	Ministry of Finance and Development Planning
MOE	Ministry of Education
NGOs	Non-governmental Organizations
PFM	Public Financial Management
PFMU	Public Financial Management Unit
PFMM	Project Financial Management Manual
PDT	Project Delivery Team
PPCC	Public Procurement and Concession Commission
PRC	Procurement Review Committee
PIM	Project Implementation Manual
PIU	Project Implementation Unit (Same as PDT)
SMT	Senior Management Team
SMC	School Management Committee
SOE	Statement of Expenditure
SSS	Senior Secondary School
TA	Technical Assistance
TWG	Technical Working Group
US\$	United States Dollar
WB	World Bank

June 19, 2024

Dr. Jarso Maley Jallah
Minister
Ministry of Education
Ministerial Complex
Monrovia, Liberia

Dear Hon. Jallah:

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE
IMPROVING RESULTS FOR SECONDARY EDUCATION PROJECT (IRISE) FOR THE PERIOD
January 1, 2023 TO DECEMBER 31, 2023.**

The Financial Statements of the Improving Results for Secondary Education Project (IRISE) were subject to audit by the Auditor General in terms of Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Engagement Terms of Reference. The Financial Audit was performed for the period January 1, 2023 to December 31, 2023.

INTRODUCTION

The audit of the Improving Results for Secondary Education Project (IRISE) for the period January 1, 2023 to December 31, 2023 is being completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

AUDIT SCOPE AND DETERMINATION OF RESPONSIBILITY

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation and reporting is achieved.

An audit involves:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the Financial Statement presentation.

An audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matter.

The matters mentioned in this letter are therefore those that were identified through tests considered

necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

Financial Statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Improving Results for Secondary Education Project (IRISE) Management. Our responsibility is to express our opinion on these Financial Statements.

The audit findings which were identified during the course of the audit are included below.

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of Improving Results for Secondary Education Project (IRISE) during the audit.

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



Monrovia, Liberia
June 2024

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.0.1 Financial Statements Submitted after Statutory Period

Criteria

- 1.0.1.1 Section 4.6 IRISE Project Implementation Manual (PIM) states that the project will also prepare annual financial statements at the end of the project in accordance with International Public-Sector Accounting Standards cash basis. The annual financial statements will be submitted to the external auditor as soon as possible but not later than 2 months after the end of each fiscal year of the GoL.

Observation

- 1.0.1.2 During the audit, we observed that Management did not provide or submit the financial statements within the required stipulated timeframe. This issue was raised during our last audit, but Management failed to address our finding and recommendations.

Risk

- 1.0.1.3 Management may be noncompliant with Section 4.6 IRISE Project Implementation Manual (PIM).
- 1.0.1.4 Untimely presentation of the financial statements may impair accountability and decision making. The completeness and accuracy of the financial statements may also be impaired.

Recommendation

- 1.0.1.5 Management should facilitate timely preparation and approval of financial statements and submit same to the Offices of the Auditor General and Comptroller and Accountant General as required by Section 4.6 IRISE Project Implementation Manual (PIM).
- 1.0.1.6 Evidence of approved financial statements should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.1.7 *At the end of each fiscal/calendar year, the project is required to prepare two sets of reports: an interim financial report (IFR) and the unaudited financial report that is required for audit. The IFR is to be ready and submitted 45 days after the end of the quarter and thereafter, the preparation of the Unaudited Financial Report is to be done at the end of the month and submitted by the 15th of the following month.*
- 1.0.1.8 *PFMU submitted to GAC all the IFRs that were prepared for every quarter of the entire period of the audit which was adequate for the commencement of the audit. PFMU had to meet its reporting requirements to the World Bank before preparing the IPSAS financial statement that is required by only GAC for the annual audit of the project. We believe that*

the IFR was sufficient and adequate for the auditor to commence the audit until the IPSAS Financial statements were completed for the entire period under audit.

Auditor General's Position

- 1.0.1.9 *Management's assertion did not adequately address the issues raised. Section 4.6 of the IRISE Project Implementation Manual (PIM) states that "the annual financial statements will be submitted to the external auditor as soon as possible but not later than 2 months after the end of each fiscal year of GoL". Management submitted the IRISE Financial statements in March 2024 outside the statutory deadline for submission. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.*

1.0.2 Non-disclosure of Fixed Assets in the Notes Financial Statements

Criteria

- 1.0.2.1 Section 9.4.2(v) of the Financial Procedure Manual (FPM) of 2018 states "A summary of fixed assets shall be extracted from the FAR and form part of the project management report and financial statements as required.

Observation

- 1.0.2.2 During the audit, we observed that Management did not disclose inventory of fixed assets as an annex to the notes to the financial statements as required by FPM.

Risk

- 1.0.2.3 Management may be non-compliant with Section 9.4.2(v) of the Financial Procedure Manual (FPM) of 2018.

- 1.0.2.4 Fair presentation and full disclosure may also be impaired.

Recommendation

- 1.0.2.5 Management should adjust the financial statements and include in the notes to the financial statements an extract of the fixed assets registers and submit the adjusted financial statements to the Office of the Auditor General as part of Management's response to this Management Letter.

- 1.0.2.6 Going forward, Management should facilitate full and adequate disclosure of fixed assets consistent with the FPM Manual mentioned above.

Management's Response

- 1.0.2.7 *The requirement for any Interim Financial Reports (IFRs) to be accepted by the donor is to include a complete schedule of the fixed assets to the reports that are submitted. The audit team requested for this report and it was submitted which included a full listing of the entire project fixed assets. This supports the relevant section that was quoted in the Financial Procedures Manual.*

Auditor General's Position

1.0.2.8 Management's assertion did not adequately address the issues raised. Going forward, Management should disclose inventory of fixed assets as a note to the financial statements as required by the PFM.

1.0.2.9 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.0.3 Stale Checks

1.0.3.1 PFMU financial procedures manual section 6.5.1 state that all Cash Books shall be reconciled monthly to the bank statements within five working days of the month end. Differences arising there from shall be investigated and resolved promptly. Unpresented cheques will be written back in the Project's books of accounts one month after the negotiable period of six months has elapsed.

Observation

1.0.3.2 During the audit, we observed that Management did not write back in the project's cash book Three (3) staled checks in the total amount of US\$1,240.00 These checks have been outstanding beyond the period of six (6) months. **See table 1 below for details:**

Table 1: Un-presented Checks

#	Transaction	PV #	Authorization Date	Date Cleared	# of Months	Amount (US\$)
1.	Zarwu K. Zaizay	2023/034	28-Feb-2023	31-Oct-2023	9	840.00
2.	T. McIntosh	2023/027	28-Feb-2023	31-Oct-2023	9	200.00
3.	N.C. Nehbor	2023/027	28-Feb-2023	31-Oct-2023	9	200.00
Total:						1,240.00

Risk

1.0.3.3 Outstanding checks for over six months may lead to understatement of the cash book and the financial statements.

Recommendation

1.0.3.4 The PFMU Project Management should adjust the cash book by the total value of the unpresented checks and restate the financial statements with the adjusted cash balance.

Management's Response

1.0.3.5 *These were checks intended for project and MoE staff to go for field supervision activities. However, these persons were unable to go for the activities and those checks were subsequently revised and reversed in November, 2023. The auditor's assertion that the checks have not been cashed out by their respective payees as at May 20, 2024 is not accurate. Attached is the reconciliation for the month of November 2023 accompanied by the journal passed to reverse these transactions. (See attached Exhibit I: Bank Reconciliation and Journal Voucher).*

Auditor General's Position

- 1.0.3.6 Management's assertion has not adequately addressed the issues raised. Going forward, Management should ensure to write back in the project's cash book unrepresented checks that have been outstanding beyond the period of six (6) months.
- 1.0.3.7 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.0.4 No Evidence of DSA Payment to Beneficiaries

Criteria

- 1.0.4.1 Regulation P.9 (2) of the Public Financial Management Act of 2009 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

Observation

- 1.0.4.2 During the audit, we observed that Management disbursed checks to Lonestar Cell MTN amounting to US\$23,400.00 for subsequent disbursement to CEOs, DEOs and M&E Officers to conduct Annual School Census Data Collection. However, we observed no evidence of subsequent remittance to the CEOs, DEOs and M&E Officers.

Risk

- 1.0.4.3 The absence of evidence of remittance to beneficiaries may impair the occurrence and legitimacy of the transactions.
- 1.0.4.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of project funds.

Recommendation

- 1.0.4.5 The Management should obtain evidence of remittance of DSA by Lonestar Cell MTN Mobile Money to the beneficiaries and submit same to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.0.4.6 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, evidence of remittances, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.0.4.7 Evidence of subsequent remittance of Mobile Money to targeted beneficiaries should be attached to the payment voucher to validate the legitimacy of the transactions.

Management's Response

- 1.0.4.8 *At no point in time throughout the audit period was this evidence requested by the audit team from the Management of the IRISE Project. This transaction was spearheaded by the MoE Comptroller's Office, and all evidence mentioned here including copy of vouchers are available. Please see system generated report from the Lonestar Cell Mobile Money platform herewith attached. The corresponding payment voucher is also herewith attached for the auditor's review and determination. It should be noted that there were different sources of funds supporting the Annual School Census, and all payments for field staff DSA and other benefits were placed on the One Lonestar Cell/MTN Mobile Money Platform of the Ministry for transfer directly to enumerators, monitoring & evaluation officers, DEOs, CEOs etc. The IRISE project was only responsible for the payment Eos and M&E officers through this platform. (See attached Exhibit III: Lonestar Cell Mobile Money Report).*

Auditor General's Position

- 1.0.4.9 We issued an audit query during the audit execution on May 1, 2024 in reference to the issues raised and Management did not respond to the query. Therefore, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.0.4.10 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that vouchers are adequately documented and filed to facilitate future review.

1.0.5 Irregularities Associated with Hydroplan Supervision Firm Contract

Criteria

- 1.0.5.1 Section 4.1 bullet points number 12, 14 and 18 of the Consultant Term of Reference states that the activities of the Consultant with respect to the management and supervision of the construction works will include but not be restricted to the following:
- Prepare and submit to County Management Team (CMT) monthly reports on the progress of the works including report on approved technical execution of works, report on expenditure and financial activities and other reports as required.
 - Follow-up on the daily execution of works on site as stipulated in building contractor's work plan and work schedules and alert the CMT on any delays or occurrences that could stall work progress.
 - Maintain daily records of site activities and occurrence on site in respect to operational site procedures and reporting on the same to the CMT.
- 1.0.5.2 Section 7.5 of the Consultant Term of Reference (TOR) states that; The Consultant shall

also be responsible for ensuring appropriate office space, equipment and transportation that meets the requirements of the assignment, including field visits, consultations, regular and/or ad-hoc trips to construction sites. The Consultant shall be responsible for all the requisite staff resources; accommodation; stationery; communications; computers and its accessories; translations/interpretation (if needed); and other costs related to undertaking their responsibilities.

Observation

- 1.0.5.3 During the audit, we observed that Management made payments to Hydroplan Supervision Firm amounting to US\$247,053.05 for supervision of construction works at 28 School construction sites in ten counties (Maryland, Rivercess, Sinoe, Grand Kru, Rivergee, Nimba, Bong, Gbarpolu, Grand Bassa and Margibi counties) with the following irregularities:
- No evidence of Hydroplan staff at construction sites for supervision.
 - No evidence of Monthly activity reports.
 - No evidence of consultant local office.
 - No evidence of MOE signature to the original contract. **See Table 2 below for details.**

Table 2: Payment made to Hydroplan Supervision Firm

Date	Payment Voucher	Description	Base Amount (US\$)
1/27/2023	2023/012	Fees for Supervision-Hydroplan	11,551.69
5/4/2023	2023/099	Consul fee fr Hydroplan	87,561.05
6/22/2023	2023/124	Taxes Paid-Hydroplan	1,992.61
8/8/2023	2023/173	Hydroplan payment	145,947.70
Total:			US\$247,053.05

Risk

- 1.0.5.4 The absence of effective monitoring and evaluation of project activities may impair the achievement of project deliverables. Project deliverables may not be achieved or achieve up to approved specifications. Failure to adhere to the terms and condition of the contract may impair the quality and achievement of project's objectives.
- 1.0.5.5 In the instance of litigation, the terms and conditions of an unapproved contract may not be binding. This may lead to dispute, financial losses, reputational damages and the non-achievement of project objectives.

Recommendation

- 1.0.5.6 Management should provide substantive justification why the original contract was not approved by the MOE.
- 1.0.5.7 Going forward, Management should facilitate the approval of contracts by all parties and ensure that the provisions of the contracts are fully operationalized. Management should also ensure that proper coordination, monitoring and evaluation of the contract terms are implemented periodically during the execution of the contracts. Payments should be made

consistent with phases of completion as enshrined in the approved contract.

- 1.0.5.8 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.
- 1.0.5.9 Management should facilitate the preparation of Inception, Monthly and Quarterly Activities Reports as required. Evidence of Inception and periodic Monitoring and Evaluation Reports should be adequately documented and filed to facilitate future review.
- 1.0.5.10 Management should also ensure that the Consultant local office is established and operationalized.

Management's Response

- 1.0.5.11 *Regarding the observation made by the audit team that "No evidence of Hydroplan staff at construction sites for supervision", the Management of IRISE would like to acknowledged that some of the Hydroplan assigned site supervision staff did abandon their respective construction sites at some point in time of the year 2023 in protest to delay payment of their salaries by Hydroplan. This notwithstanding, Hydroplan is paid by the IRISE Project based on time-inputs or man-hour per site basis, which evidence has always been presented along with invoices submitted by Hydroplan for payment by the Project. The invoices are also reviewed by the IRISE Project along with the time-sheets/logbook of Hydroplan staff submitted in addition to the reports by Hydroplan before approval is given for payment. Please see attached copies of time-sheets submitted by Hydroplan per invoice for the auditor's review and determination. (See attached **Exhibit IVa: Hydroplan Staff Timesheets**).*
- 1.0.5.12 *The observation by the audit team that "No evidence of monthly activity reports" submitted by the supervision firm is incorrect. At no point in time throughout the audit period did the audit team request these reports from the Management of the IRISE Project. We have herewith attached evidence of the list of documents requested by the audit team and submitted to them by the Management of IRISE Project. The reports from January to December 2023 were received, reviewed and cleared by the IRISE Project Management before payments we made to Hydroplan. All these reports are available, even though bulky and kept electronically. These reports and the approvals are always shared with the PFMU electronically (due to their bulkiness) before any payment is made to the supervision firm. We are glad to also share with the audit team electronically (via email) some copies of these reports submitted by Hydroplan for the audit period before payments were made by the project. We hope the audit team will review them to inform its final determination on this observation. Please acknowledge receipt of our email to this effect, upon receipt. (See attached **Exhibit IVb: GAC Documents Request List**).*
- 1.0.5.13 *On the observation by the audit team that "No evidence of Consultant local office", the*

Management of IRISE Project do acknowledge this as factual observation for the period under review. Every effort made by the Project Management team to ensure the consultant establishes local office did not materialize at the time. The situation has however changed now based on continue engagement on the issue. The Consultant has opened a local office in Liberia on the GSA Road. Please see photo of the office Building attached. (See attached **Exhibit IVc: Photo of Hydroplan Office**)

- 1.0.5.14 With respect to the audit team's claim that "No evidence of MOE signature to the original contract", this is a misrepresentation of the fact. The original contract with Hydroplan was duly signed by both parties (the MoE as the Client and Hydroplan as the Consultant). Copy of the signed original contract was uploaded in the World Bank Systematic Tracking of Electronic Procurement (STEP) platform and one printed original copy submitted to the PFMU before the contract became effective and any payment made on it. Herewith attached is a copy of the signed original contract for your reference. It should be clear that at no point in time did the audit team request this document from the Management of IRISE. We request the audit team to kindly consider the evidence attached. (See attached **Exhibit IVd: Signed Original Contract-Hydroplan**)

Auditor General's Position

- 1.0.5.15 We acknowledge Management's acceptance of our findings and recommendations regarding the absence of Hydroplan staff at construction sites for supervision and the lack of local consultant office. We will follow up on the implementation of our recommendations during subsequent audit.
- 1.0.5.16 We issued an audit query during the audit execution on May 1, 2024 in reference to the Monthly activity reports and lack of signature to the original contract. Management did not respond to the query. Therefore, Management's provision of documents after our review, does not guarantee Management effective control of document management.
- 1.0.5.17 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should ensure that contracts, reports and other relevant documents are adequately documented and filed to facilitate future review.

1.0.6 Female Guidance Counsellors Absent from Schools Visited

Criteria

- 1.0.6.1 Subcomponent 2.2: Supporting safer learning environments in senior secondary schools for girls of the IRISE PIM, paragraph two, states that "The Ministry will identify existing employees who meet the qualification criteria and also recruit additional female candidates to ensure that a female Guidance Counsellor can be placed in every public and community senior secondary school in Liberia. By the end of the project, female Guidance Counsellors are expected to be present in all public SSS".
- 1.0.6.2 Subcomponent 2.1: of IRISE states that; To maintain the scholarship, the beneficiary must

show regular attendance in school in addition to demonstration of high moral discipline and comportment based on regular behavioral and performance assessment to be conducted by the female Guidance Counsellor assigned to the school. Students who are guilty of the following will NOT be maintained on the scholarship:

- Transfer from one institution to another without notification to the Division of Scholarship.
- Involved in any kind of misconduct, dishonesty such as deliberately providing incorrect information at any stage of the application process or while on the scholarship.
- A student fraudulently attempting to gain double/multiple scholarship from the Government of Liberia

1.0.6.3 Also, Regulation T.5 of PFM Act, 2009 as amended and restated 2019 states that, "A Head of government agency shall cause the immediate stoppage of payment of salary to a public servant when that public servant has: (a) been absent from duty without permission or reasonable cause for a period as stipulated in the administrative regulations of the establishment; (b) been absent from duty on leave without pay; (c) been convicted of an offence involving theft or fraud, or a sentence of imprisonment; (d) resigned; (e) retired; or (f) died.

Observation

1.0.6.4 During the audit, we observed no evidence of Female Guidance Counselors at school campuses in the counties as required.

1.0.6.5 Additionally, payments amounting to US\$481,950.00 was disbursed to 1,785 beneficiaries/ Girls across seven counties (Bomi, Gbapolu, Grand Bassa, Grand Cape Mount, Sinoe, Grand Kru, and River Gee) without evidence of attendance records as required by subcomponent 2.1 of IRISE of IRISE PIM.

1.0.6.6 Additionally, we verified from school's attendance records that Female Guidance Counselors have been absent from campuses for two to three months. **See Table 3 below for details.**

Table 3: Female Guidance Counselors

#	Counties	School Campus	Comment
1.	Grand Bassa	• Bassa Central High School	No evidence of Female Guidance Counsellor
2.	Rivercess	• Yarpah Town Public School	No evidence of Female Guidance Counsellor
2.	Sinoe	• Sinoe Multilateral High School • Troh Public School	No evidence of Female Guidance Counsellor
3.	Grandkru	• Samford Dennis High School	No evidence of Female Guidance Counsellor
4.	Rivergee	• Twelh Jaiklay High School	No evidence of Female Guidance

#	Counties	School Campus	Comment
			Counsellor
5.	Maryland	<ul style="list-style-type: none"> Cape Palmas High School John Hilary Tubman High School 	No evidence of Female Guidance Counsellor
6	Gbarpolu	<ul style="list-style-type: none"> Bopolu Central High School 	No evidence of Female Guidance Counsellor

Risk

- 1.0.6.7 The absence of Female Guidance Counselor at assigned institutions may impair the achievement of the project objectives.
- 1.0.6.8 Failure to monitor and supervise personnel attendance records may result to compensation of non-deserving employees. This practice may cultivate an inappropriate work culture at the entity and may subsequently affect the operation and performance of the entity.
- 1.0.6.9 Management may be non-compliant with Regulation T.5 of the PFM Act, 2009 as amended and restated 2019 and Subcomponent 2.2 of IRISE PIM.

Recommendation

- 1.0.6.10 The Management of the project should liaise with the MOE Management and the Administration of the institutions listed above to inquire why the assigned Female Guidance Counselors have been absent from work without authorized leave of absence. Consistent absentees should be made to returned the project assets and subsequently replaced to facilitate the achievement of the project objectives.
- 1.0.6.11 MOE Management should ensure that personnel attendance records are regularly monitored by a designated staff and absentee employees should be reprimanded in line with Regulation T.5 of PFM Act, 2009 as amended and restated 2019 for failing to report to work. Management should initiate periodic spot check to ascertain the accuracy of attendance records. Evidence of daily attendance logs and monthly time sheets should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.6.12 *In accordance with the Performance Based Condition (PBC) requirements outlined in the IRISE Project Appraisal Document (PAD) and subsequent restructuring paper of 30th June 2022, the Government was tasked with hiring, training, placing on the Government payroll, deploying and ensuring conducive working environment for at least 150 Female Guidance Counselors (FGCs) across existing public and community senior secondary schools, and in return receive a specified amount of the project fund in disbursement as incentive and reimbursement for the effort and expenses incurred by the Government. Please note that the activity is straightly to be implemented by the Government and incentivized by the Project for achievement of the PBC upon the conduct of independent verification and confirmation of achievement.*
- 1.0.6.13 *The FGCs were recruited, trained, placed on the Government payroll through collaboration*

between the CSA, Ministry of Finance, and the Ministry of Education (MoE), subsequently deployed to various schools across the country, and provided with resettlement allowances, stipends for office furniture and fixture as well as supply of laptops and printers for smooth working environment. The evidence of these were packaged and submitted to the GAC as independent verification agency (IVA) for verification and confirmation of the achievement of PBC1.5. Upon verification of this activity by the General Auditing Commission (GAC) as IVA, and validation of its Disbursement Verification Report (DVR) by the World Bank, the associated PBC amount would be disbursed to the MoE by the Project. Therefore, the management of these FGCs including their monitoring and supervision is outside the scope of the project. Hence, we don't believe the observations by the audit team should be an audit issue under the IRISE Project, for the project to address. Rather, audit of programs under the MoE.

1.0.6.14 *This is not to imply however that the project is indifferent to the absences of FGCs at the schools. But contrary to the assertion in the ML, we have observed female guidance counselors from these same schools visiting the Project Office on a regular basis to address issues related to girls who are on the project scholarship and enrolled in these schools. The Project relies on the confirmation of attendance of the girls scholarship beneficiaries from these FGCs in addition to the follow up monitoring visits to schools for disbursement of stipends to each girl on the scholarship. The GAC audit team is encouraged to provide additional empirical evidence (exhibits of attendance records at the schools) to substantiate these claims so that the Project may engage the relevant authorities regarding this issue. The audit team could also reach out to GAC's independent verification team for PBC 1.5 for further confirmation of these claims.*

1.0.6.15 *What we were informed by FGCs is that the audit team reached to some of these campuses after working hours and others early morning before working hours, and were in so much rush to move to the next area that they failed to do the required due diligence in getting information on these FGCs.*

Auditor General's Position

1.0.6.16 Management's assertions did not adequately address the issues raised. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.0.7 Irregularities Associated with IRISE Scholarship Payment

Criteria

1.0.7.1 Sub-Component 2.1 of the Key Implementation Progress of IRISE Project states that: 3,165 girls have been recruited and enrolled in the Girls Scholarship Program across multiple public and community-based schools spanning seven counties: Bomi, Gbapolu, Grand Bassa, Grand Cape Mount, Sinoe, Grand Kru, and River Gee. The Ministry of Education (MoE) has consistently provided stipends to support these girls in their educational pursuits. Out of the total enrolled, 674 girls have successfully graduated, while the rest continue

their studies.

1.0.7.2 Subcomponent 2.1: of IRISE states that; To maintain the scholarship, the beneficiary must show regular attendance in school in addition to demonstration of high moral discipline and comportment based on regular behavioral and performance assessment to be conducted by the female Guidance Counsellor assigned to the school. Students who are guilty of the following will NOT be maintained on the scholarship:

- Transfer from one institution to another without notification to the Division of Scholarship.
- Involved in any kind of misconduct, dishonesty such as deliberately providing incorrect information at any stage of the application process or while on the scholarship.
- A student fraudulently attempting to gain double/multiple scholarship from the Government of Liberia

Observation

1.0.7.3 During the audit, we observed that Management made payments amounting to US\$481,950.00 to 1,785 girls on the Scholarship Program in seven targeted counties. However, the General Ledger amount is US\$595,830.00 resulting to a variance of US\$113,880.00. **See table 4 below for details.**

Table 4: Irregularities Associated with IRISE Scholarship Payment

No.	County	No. of Girls per county	Payment Record per county US\$	General Ledger Amt. US\$	Payment per student	Variance
1.	Grand Cape Mount	297	80,190.00	595,830.00	270.00	113,880.00
2.	Bomi	284	76,680.00		270.00	
3.	Gbarpolu	121	32,670.00		270.00	
4.	Sinoe	294	79,380.00		270.00	
5.	Grand Kru	118	31,860.00		270.00	
6.	Grand Bassa	619	167,130.00		270.00	
7.	Rivercess	52	14,040.00		270.00	
	Total	1,785	US\$481,950.00	US\$595,830.00		US\$113,880.00

Risk

1.0.7.4 The completeness and accuracy of the financial statements may not be assured therefore the financial statements may be misstated.

Recommendation

- 1.0.7.5 Management should account for the variance between the payment records and financial statements, adjust the financial statements where applicable and submit a copy of the adjusted financial statements to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.0.7.6 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.0.7.7 *We don't believe the audit team did its due diligence on the review of the girl's scholarship payment account given the kind of misrepresentation of fact being made here. If you go through the Lonetsar Cell/MTN Mobile Money Platform generated statement of transactions for year 2023, you will observe that the total amount of project funds deposited in the Girls Scholarship Mobile Money platform for 2023 was **US\$952,625.00**. Of this amount, US\$356,795 was captured in the Year 2022 financial report because the processing of the voucher by PFMU actually took place in December 2022, even though Lone Star Cell/MTN collected the checks in January and March 2023 respectively. The remaining US\$595,830.00 was deposited on the platform on April 12, 2023 in two batches (US\$247,755.00 and 348,075.00), which is reflected in the Year ended December 31, 2023 financial statement referenced by the audit draft ML. Contrary to the amount stated in the draft audit ML as total transfers made to the scholarship beneficiaries for year 2023, the actual fact is that the total transfer made to the scholarship beneficiaries for year 2023 was **US\$942,625.00** leaving the account/platform with a closing balance for year 2023 of **US\$10,480.00**. Please see attached the automated system generated transactions report by Lonestar Cell/MTN Mobile Money Platform for your further review and consideration. (See attached **Exhibit V: Lonestar Cell/MTN Mobile Money Report**).*
- 1.0.7.8 *The amount deposited on the Mobile Money platform may not always be the exact amount transferred to the scholarship beneficiaries due to the following reasons:*
- 1. A final follow-up verification is usually done to ascertain whether those girls are actually in the schools before transferring the stipends to each beneficiary assigned mobile money number. If we received information that a beneficiary is not in school, the Project will withhold the transfer of their stipends until it is confirmed that they now in school; and*
 - 2. There are girls whose assigned sim cards have some issues like loss of sim, forgetting of pin code etc., and until is issue is resolved, the project does not transfer money on the number. Whatever the case, the remaining funds is always on the platform and reported to the PFMU.*

Auditor General's Position

- 1.0.7.9 Management's assertion did not adequately address the issue raised. Our findings were related to girl's scholarship expenditure for the period under audit and did not include

administrative cost related to the scholarship program.

- 1.0.7.10 Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendation during subsequent audit.

1.0.8 Irregularity Associated with ICT Equipment (computers and printers)

Criteria

- 1.0.8.1 Regulation U.6 of the Public Financial Management Act of 2009 as amended and restated 2019 states that "Each Government Agency shall maintain adequate records of inventories assigned to it. The General Services Agency and or the Public Procurement and Concession Commission may give instructions governing the acquisition, receipt, custody, control, issue and disposal of the inventories."

Observation

- 1.0.8.2 During the audit, we observed no evidence of 11 Lenovo Laptops and HP Printers with total purchased costs amounting to US\$10,890.00 and US\$6,454.00 respectively procured for Female Guidance Counselors to support conducive working conditions in schools. **See table 5 below for details.**

Table 5: Irregularity Associated with ICT Equipment (computers and printers)

County	School	Laptop	Price (US\$)	Printer	Price (US\$)
Grand Bassa	Bassa High	1	990.00	1	595.00
Lofa	Zorzor Central High Sch	1	990.00	1	595.00
	Sucromu Public Sch.	1	990.00	1	595.00
Rivercess	Cesstoes High	1	990.00	1	595.00
	Yarpah High School	1	990.00	1	595.00
Rivergee	Tweh Jaiklay High Sch	1	990.00	1	595.00
	Webbo High Sch	1	990.00	1	595.00
Sinoe County	Sinoe Multilateral High	1	990.00	1	595.00
	Barclayville High Sch.	1	990.00	1	595.00
Grand Kru	Samford Dennis High Sch	1	990.00	1	595.00
	John Hilary Tubman High Sch	1	990.00	1	595.00
Total			US\$10,890.00		US\$6,545.00

Risk

- 1.0.8.3 Project assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.0.8.4 Failure to properly account for project assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the project's objectives.

Recommendation

- 1.0.8.5 Management should account for the 11 Lenovo Laptops and HP Printers not provided for verification during our physical verification exercise.

- 1.0.8.6 Going forward, Management should conduct periodic fixed assets count and /or verification to determine the current condition and location of the assets. Evidence of physical verification should be adequately documented and filed to facilitate future review.
- 1.0.8.7 A Movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of asset.

Management's Response

- 1.0.8.8 *First, the Management of the IRISE Project believes it is a use of wrong choice of words for the draft audit ML to carry the title "Irregularity Associated with ICT Equipment procurement and payment (computers and printers)". The audit team at no point in time requested for the procurement documents such as Bids Evaluation Report, Good Delivery Note etc., or payment vouchers, receipts as well as other supporting documents for payment of the supplier of the 160No. laptops and printers procured for FGCs. Neither did the audit team ever request from the Management of IRISE Project the evidence of distribution of the 160No. laptops and printers to the FGCs. The only document that was requested from the Project was the Fixed Asset Register (FAR), which also contains the list of laptops and printers assigned to FGCs. On the basis of what audit evidence then is the audit team making assertion of "Irregularity Associated with ICT Equipment procurement and payment (computers and printers)"?*
- 1.0.8.9 *All IRISE project can confirm is that we did procure the equipment and delivered it to the end-user division, the Division for Guidance and Psychosocial Counselling at the MOE, for distribution to the FGCs. The laptops and printers were all coded and assigned to FGCs at the schools. Copies of the evidence of receipt of the laptop by each FGC is herewith attached. Some of the equipment are still in the custody of the Division for schools that do not have assigned FGC due to decline of the offer, resignation, death, and abandonment of job by some of FGCs. WE encourage the audit team to go through the evidence for final determination of its assertion of "Irregularity Associated with ICT Equipment procurement and payment (computers and printers)". (See attached **Exhibit VI: Laptops and Printers Receipt Log-FGCs**).*

Auditor General's Position

- 1.0.8.10 Management's assertions did not address the issue raised. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendation during subsequent audit.

1.0.9 Delay in the Construction of Three Super Senior High Schools

Criteria

- 1.0.9.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions

(PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- a) Ensuring that the contractor complies with the specifications and terms of the contract;
- b) Ensuring that the contract is being performed on schedule;
- c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

Observation

- 1.0.9.2 During the audit, we observed that several construction works were still ongoing beyond their respective completion dates (December 2023). **See table 6 below for details: Also exhibit 1,2&3 attached for details:**

Table 6: Delay in the Construction of Three Super Senior High Schools

Exbit Ref: #	Coun ty	Contractors	Start Date	End Date	Contract Price US\$	Amount Paid US\$	Comments	Percentage
1	Margi bi	JLN Construction Company	Sept. 27, 2022	(14 months) Dec. 26, 2023	1,506,554.10	322,597.01	Abandoned site	21.41%
2	Bong	International Consolidated Constructors	Sept. 27, 2022	(14 months) Dec. 27, 2023	1,605,060.99	328,461.50	First floor elevation ongoing With casting	20.47%
3	Nimba	CONSTAR-INC.	Sept. 27, 2022	(14 months) Dec. 28, 2023	1,591,467.86	711,895.89	Ongoing at roofing level	44.74%
Total					4,703,082	1,362,954.4		29%

Risk

- 1.0.9.3 Untimely achievement of project deliverable may lead to additional expenditure (fixed costs) of the project.
- 1.0.9.4 Project objective may not be achieved in the absence of effective project implementation and coordination.
- 1.0.9.5 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.0.9.6 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the schools and update the Office of the Auditor General as part of Management's response to this Management Letter.

- 1.0.9.7 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.
- 1.0.9.8 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.0.9.9 Evidence of approved work plans and contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.9.10 *The Management of the IRISE Project hereby acknowledge the delays observed in the construction of the New senior secondary schools. These delays were recognized by both the MoE and the World Bank as due to several causes from both the contractors and MoE sides. In recognition of these, both the World Bank and MoE along with the contractors agreed to extend the implementation timelines for the three contracts to allow for completion of the schools. Copies of these amendments are herewith attached for your consideration. Additionally, the Bank and the Government restructured the project extending the project by 13 months until December 31, 2024 in recognition of these civil works contract implementation period extensions among other reasons. Please see attached the Project Restructure Paper allowing the extension of the Project. Judging by the revised contract period, therefore, it may not be appropriate to term those contracts as delay in an audit report. Please review the evidence and make a final determination. (See attached **Exhibit VII: Construction Implementation Extension and Project Restructure Paper**).*

Auditor General's Position

- 1.0.9.11 We acknowledge Management's acceptance of our findings and recommendations and subsequent provision of the amended contract. We will follow-up on the recommendations during subsequent audit.
- 1.0.9.12 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should ensure that contracts, reports and other relevant documents are adequately documented and filed to facilitate future review.

1.0.10 Delay in the Expansion Works of 20 Junior Secondary Schools (JSS)

Criteria

- 1.0.10.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the

administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- Ensuring that the contractor complies with the specifications and terms of the contract;
- Ensuring that the contract is being performed on schedule;
- Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

Observation

1.0.10.2 During the audit, we observed that 20 School Expansion Construction Works were still ongoing beyond their respective completion dates (January 2024). **See table 7 below for details and exhibit 1 to 22 below for details:**

Table 7: Delay in the Construction and Expansion Works in the Counties

County	Project Name	Contractor
Rivercess	Expansion of Boegeezaye Public Elem. & Jr. High School to Sr. High	JLN Construction Company
Rivercess	Expansion of Zammi Town Elem & Jr. High School to Sr. High	JLN Construction Company
Grandkru	Expansion of Gbanken Elem & Jr. High School to Sr. High	JLN Construction Company
Grandkru	Expansion of Fennitoe Elem & Jr. High School to Sr. High	JLN Construction Company
Grandkru	Expansion of Niffu Public Elem & Jr. High School to Sr. High	JLN Construction Company
Grandkru	Expansion of Kaytoken Elem. & Jr. High School to Sr. High	Sami Construction & Maintenance Company
Sinoe Co.	Expansion of Numopoh Central Elem. & Jr. High to Sr. High	Desire Construction Company
Sinoe Co.	Expansion of Gibsonville Elem. & Jr. High to Sr. High	Desire Construction Company
Sinoe Co.	Expansion of Gee-Troh Public Elem. & Jr. High to Sr. High	Desire Construction Company
Sinoe Co.	Expansion of Paytaye Elem. & Jr. High to Sr. High	Desire Construction Company
Rivergee Co.	Expansion of Tom Wah Elem. & Jr. High School to Sr. High	Sami Construction & Maintenance Company
Rivergee Co.	Expansion of Cheboken Elem. & Jr. High School to Sr. high	Sami Construction & Maintenance Company
Maryland	Expansion of Gwiah Doe Elem. & Jr. High to Sr High	SagK Inc.
Maryland	Expansion of Boniken Doe Elem. & Jr. High to Sr High	SagK Inc.
Maryland	Expansion of Barraken Elem. & Jr. High to Sr High	SagK Inc.
Margibi	Expansion of Gibi Public Elem. & Jr. Hgigh School to Sr. High	ELITE Contracors & Global Services
Margibi	Construction New Sr High School in Kakata	JLN Inc.
Nimba	Expansion of W.V.S. Tubman Jr. High to Sr High	Classical Group of Companies
Nimba	Construction of new Senior High School in Ganta	Constar Inc.
Bong	Expansion of Kokoyah Elem. & Jr. High to Sr High	Classical Group of Companies

Risk

- 1.0.10.3 Untimely achievement of project deliverable may lead to additional expenditure (fixed costs) of the project.
- 1.0.10.4 Project objective may not be achieved in the absence of effective project implementation and coordination.
- 1.0.10.5 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.0.10.6 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the warehouse and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.0.10.7 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.
- 1.0.10.8 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.0.10.9 Evidence of approved work plans and contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.10.10 *Again, the Management of the IRISE Project acknowledge these delays observed in the expansion 20no. JSS to SSS. These delays were primarily attributed to challenges including adverse weather conditions, bad road conditions leading to inaccessibility of some sites during the rainy season, inadequate supervision, and under performance by contractors. Throughout, the QAT actively monitored the progress of the JSS expansion contractors with regular site visits and progress meetings conducted with contractors to address issues and mitigate delays. Proactive measures to expedite project timelines, including revising construction schedules and facilitating necessary approvals to overcome delays, as well as termination of contract with under-performing contractors after the timeline extension and revising of works schedule and packages were enforced. For example, the contract for the 3no. JSS expansion sites in Grand Kru was terminated and repackaged for launch of a new procurement process for awarding. At the time the audit team visited River Cess and Nimba Counties, the Contract with JLN for Lot (JSS Exapnsion in Boegeezaye, Zammi Town and Duo Gorton) had been terminated by the MoE. Please see attached copies of the letters of termination. (See attached **Exhibit VIIIA: JLN Letters of Termination**).*

1.0.10.11 Notwithstanding the above, these delays were recognized by both the MoE and the World Bank as due to several causes from both the contractors and MoE sides. In recognition of this, both the World Bank and MoE along with the contractors agreed to extend the implementation timelines for all the JSS expansion to SSS contracts to allow for completion of the schools. Copies of these amendments are herewith attached for your consideration. Additionally, the Bank and the Government restructured the project extending the project by 13 months until December 31, 2024 in recognition of these civil works contract implementation period extensions among other reasons. Please see attached the Project Restructure Paper allowing the extension of the Project. Judging by the revised contract period, therefore, it may not be appropriate to term those contracts as delay in a audit report. Please review the evidence and make a final determination. (See attached **Exhibit VIIIb: Project Restructure Paper and Extension Letters**).

Auditor General's Position

1.0.10.12 We acknowledge Management's acceptance of our findings and recommendations and subsequent provision of the amended contract. We will follow-up on the recommendations during subsequent audit.

1.0.10.13 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should ensure that contracts, reports and other relevant records are adequately documented and filed to facilitate future review.

1.0.11 Abandoned Construction Site by Constructors

Criteria

1.0.11.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- a) Ensuring that the contractor complies with the specifications and terms of the contract;
- b) Ensuring that the contract is being performed on schedule;
- c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

Observation

1.0.11.2 During the audit, we observed that five of the Construction and Expansion sites have been abandoned by the contractors in Rivercess, Grandkru and Nimba Counties. **See table 8 below and Annexure 2, Exhibit 1-3 for details.**

Table 8: Abandon Construction Site by Constructors

Exhibit Ref: #	Counties		Location	School Name	Contractor	Committee as per condition
1	• Rivercess	•	• Zammi	• Zammi Town Elem &	JLN	Site

Exhibit Ref: #	Counties		Location	School Name	Contractor	Committee as per condition
			Town • Boegeezaye	Jr. High School to Sr. High • Boegeezaye Public Elem. & Jr. High School to Sr. High	Construction Company	abandoned
2	• Grandkru	•	• Gbanken • Ben Swen • Niffu	• Gbanken Elem & Jr. High School to Sr. High • Fennitoe Elem & Jr. High School to Sr. High • Niffu Public Elem & Jr. High School to Sr. High	JLN Construction Company	Site abandoned
3	Nimba		Duo Gorton	Duo Gorton Public Elem. & Jr. High School to Sr. High	JLN Construction Company	Site abandoned

Risk

- 1.0.11.3 Untimely achievement of project deliverable may lead to additional expenditure (fixed costs) of the project.
- 1.0.11.4 Project objective may not be achieved in the absence of effective project implementation and coordination.
- 1.0.11.5 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.0.11.6 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of schools and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.0.11.7 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverables and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.
- 1.0.11.8 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.

- 1.0.11.9 Evidence of approved work plans and contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.11.10 *The contracts for all these sites in reference were terminated by the MoE before the arrival of the audit team to the sites. Hence, the reason for no ongoing works at the site upon arrival, which is being classified by the audit team as "abandon construction sites". Please see attached copies of the contract termination letters for your review and final consideration. (See attached Exhibit IX: Contract Termination Letters.*

Auditor General's Position

- 1.0.11.11 Management's assertion did not adequately address the issues raised. The contract termination letters were consummated April 5, 2024. During our physical verification on April 12, 2024 there was no evidence that construction activities had occurred at these sites for a protracted period. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.0.12 Deficient Construction Work

Criteria

- 1.0.12.1 Section 19 part 1 (a) of the Public Procurement Amended Regulation of 2014 states that; The head of the Procuring Entity shall have oversight responsibility for the administration of the procurement contract. Develop a contract administration mechanism that at least spell out the obligations under the contract, the responsible party and expected or contractual compliance or completion date of the obligation as a means of facilitating contract administration.
- 1.0.12.2 Additionally, part 5 states that, Where the context requires, the head of the Procuring Entity shall ensure that the contract administration and monitoring mechanism considers the need to link approval of financial disbursement to the performance of the obligations in accordance with the terms of the contract.
- 1.0.12.3 Section 3.3.1 of IRISE PIM states that; The overall responsibility of the school construction subcomponent lies with the Director of the Division of Physical Environment, MoE, assisted by the PDT and the Ministry of Public Works. While the TWG comprising of representatives of the MoE and MPW will be responsible for monitoring and quality assurance of all civil works under subcomponent 1.1, the services of a construction supervision firm will be contracted to carry out direct site supervision of all civil works under the subcomponent. This TA firm will make monthly report to the MoE through the PDT for onward submission to the TWG and SMT for review and approval.

Observation

- 1.0.12.4 During the audit (field verification), we observed no evidence of monitoring of construction Contract awarded to ELITE Construction Company for the Construction of Gibi Public Elem. & Jr. High School to Senior High School in Wonng, Margibi County. As the result of non-

monitoring and evaluation we observed the following deficiencies: Structural cracks in beam, column, block, floor and foundation. **See Annexure 3, exhibit 1 below.**

Risk

- 1.0.12.5 Structural defects to construction projects may lead to safety and health hazards which may impair the achievement of project objectives. The going concern and sustainability of defective projects may not be assured.
- 1.0.12.6 Inadequate performance of project deliverables may lead to additional expenditure to the project.
- 1.0.12.7 Project objectives may not be achieved in the absence of effective project implementation and coordination.
- 1.0.12.8 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

- 1.0.12.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the warehouse and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.0.12.10 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.
- 1.0.12.11 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.0.12.12 Evidence of approved work plans and contracts should be adequately documented and filed to facilitate future review.

Management's Response

- 1.0.12.13 *The Management of IRISE do recognize that daily supervision of the site in reference by Hydroplan was a challenge at some point in time. Even the QAT regular visit to the site confirmed the absence of the assigned Hydroplan supervisor at the site in Gibi. Notwithstanding, the Quality Assurance Team regularly visited the site, identified quality issues, and notified the contract for correction of the defects. Please see attached copies of the QAT report and notices to the contractor for the auditor's review and final determination of your claim that "No evidence of monitoring' of the site in Gibi. (See **attached Exhibit X: QAT Report and Notices**).*

Auditor General's Position

- 1.0.12.14 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.0.13 Lack of Effective Monitoring and Evaluation of Projects

Criteria

- 1.0.13.1 Regulations 19 part 5 of the Public Procurement and Concessions Amended Regulations states that; Where the context requires, the head of the Procuring Entity shall ensure that the contract administration and monitoring mechanism considers the need to link approval of financial disbursement to the performance of the obligations in accordance with the terms of the contract.
- 1.0.13.2 Section 3.3.1 of IRISE Project Implementation Manual (PIM) States that; the overall responsibility of the school construction subcomponent lies with the Director of the Division of Physical Environment, MoE, assisted by the Project Delivery Team (PDT) and the Ministry of Public Works (MPW). While the Technical Working Group (TWG) comprising of representatives of the MoE and MPW will be responsible for monitoring and quality assurance of all civil works under subcomponent 1.1, the services of a construction supervision firm will be contracted to carry out direct site supervision of all civil works under the subcomponent. This TA firm will make monthly report to the MoE through the PDT for onward submission to the TWG and SMT for review and approval.

Observation

- 1.0.13.3 During the audit, we observed no evidence that Management ensure that the contractors performed continuous monitoring and evaluation assessment of schools' construction projects consistent with the terms of the project.

Risk

- 1.0.13.4 Failure to monitor the implementation of project activities may impair timely implementation of project deliverables.
- 1.0.13.5 In the absence of effective monitoring and evaluation, the project objectives and mandates may not be achieved or not achieved in a timely manner. Project deliverables may not meet approved specifications and value for money may not be achieved.

Recommendation

- 1.0.13.6 Management should ensure that all contractors facilitate effective coordination, monitoring and evaluation of construction project activities and prepare periodic reports of monitoring and evaluation activities. Gaps/defects identified should be corrected in a timely manner.
- 1.0.13.7 Periodic monitoring and evaluation reports should be adequately documented and filed to

facilitate future review.

Management's Response

- 1.0.13.8 *Please see attached various monitoring reports submitted by both the construction supervision firm and the Quality Assurance Team of MoE and MPW for your review and final determination of this claim. Please note that within the context of civil works, defects during the period of works doesn't imply lack of effective monitoring. The defects are usually identified by the supervisors and QA team and communicated to the contractor for corrective actions. (See attached **Exhibit XI: Supervision and Monitoring Reports**).*

Auditor General's Position

- 1.0.13.9 We acknowledge Management's assertion. However, the provision of document after our review does not guarantee Management effective control of document management.
- 1.0.13.10 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should ensure that contracts, reports and other relevant records are adequately documented and filed to facilitate future review.

STATUSES ON THE IMPLEMENTATION of PRIOR YEAR AUDIT RECOMMENDATION

Recommendations conveyed during financial statements audit of Improving Results in Secondary Education (IRISE) for January 1, 2023 to December 31, 2023 are yet to be implemented by Management of the PIU as indicated in the **Table below:**

Prior-year audit matters not implemented

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of Recommendation	Activities performed	Outstanding activities
1.	Financial Statements submitted after deadline date	1.0.13.11 Management should facilitate the timely preparation of financial statements and subsequent submission of same to the GAC as required by Section 4.6 of IRISE Project Implementation Manual (PIM). Evidence of approved	1.1.25 & 1.1.26	PFMU submitted to GAC all the IFRs that were prepared for every quarter of the entire period of the audit which was adequate for the commencement of the audit. PFMU had to meet its reporting requirements to the World Bank before Preparing the IPSAS financial statement that is required by only GAC for the annual audit of the project. We believe that the IFR was sufficient	Management's assertion does not adequately address the issues raised. Going forward, Management should ensure that the annual financial statements are submitted to the Office of the Auditor General and the	Not implemented	Non	Management should ensure to implement the Auditor General's Recommendations

*Management Letter On the Financial Statements Audit of the
Improving Results for Secondary Education Project (IRISE)
For the Year Ended December 31, 2023*

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of Recommendation	Activities performed	Outstanding activities
		financial statements should be adequately documented and filed to facilitate future review.		and adequate for the auditor to commence the audit until the IPSAS Financial statements were completed for the entire period under audit.	Comptroller and Accountant General two (2) months after the end of each fiscal year of the GoL.			
2.	Lack of Signing date of the Financial Statements	Management should adjust the financial statements to include the date of approval adjacent to the signatures of the authorizers.		This was earlier communicated and subsequently resolved in the revised financial statement. Please see Exhibit I.	We acknowledge Management's acceptance of our findings and recommendations and subsequent adjustment of the financial statements.	Not implemented	Non	Management should ensure to implement the Auditor General's Recommendations
3.	Payments without Supporting Documentation	Management should ensure all transactions are		The Community Empowerment Approach (CEA) incorporates control	Management's assertion does not adequately	Not implemented	Non	Management should ensure to implement the Auditor

*Management Letter On the Financial Statements Audit of the
Improving Results for Secondary Education Project (IRISE)
For the Year Ended December 31, 2023*

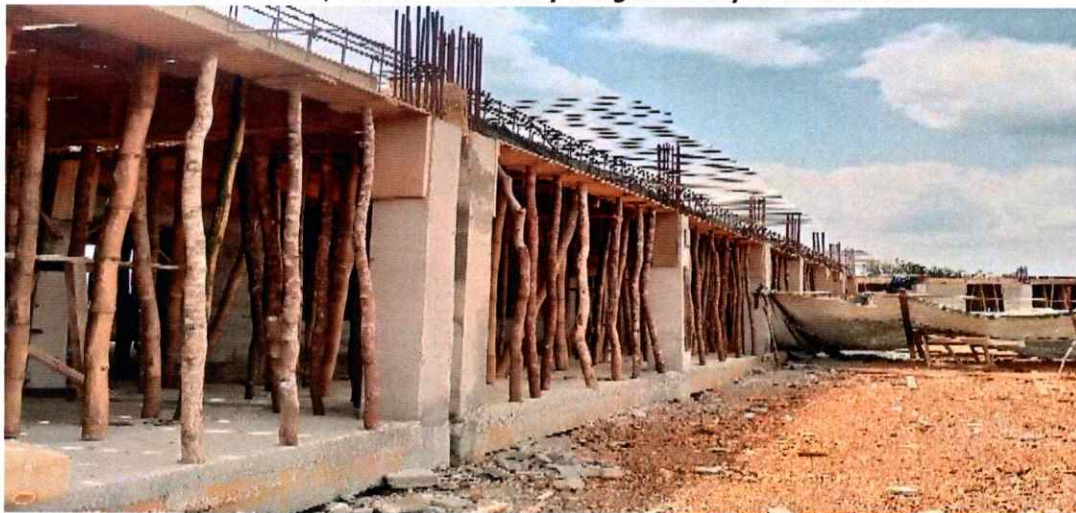
No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of Recommendation	Activities performed	Outstanding activities
		supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders payment vouchers etc. should be prepared and approved for the procurement of goods and		mechanisms that strictly enforce the requirement of proper supporting documentation before any payment can be made. Furthermore, the Ministry of Education (MoE) does not disburse funding to school accounts unless the schools meet specific benchmarks, which encompass procurement, financial management, monitoring and reporting. If there have been instances where payments were made without the necessary documentation, we kindly request you	address the issues raised. The additional information requested in Management's response are contained in table 7 above. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.			General's Recommendations

*Management Letter On the Financial Statements Audit of the
Improving Results for Secondary Education Project (IRISE)
For the Year Ended December 31, 2023*

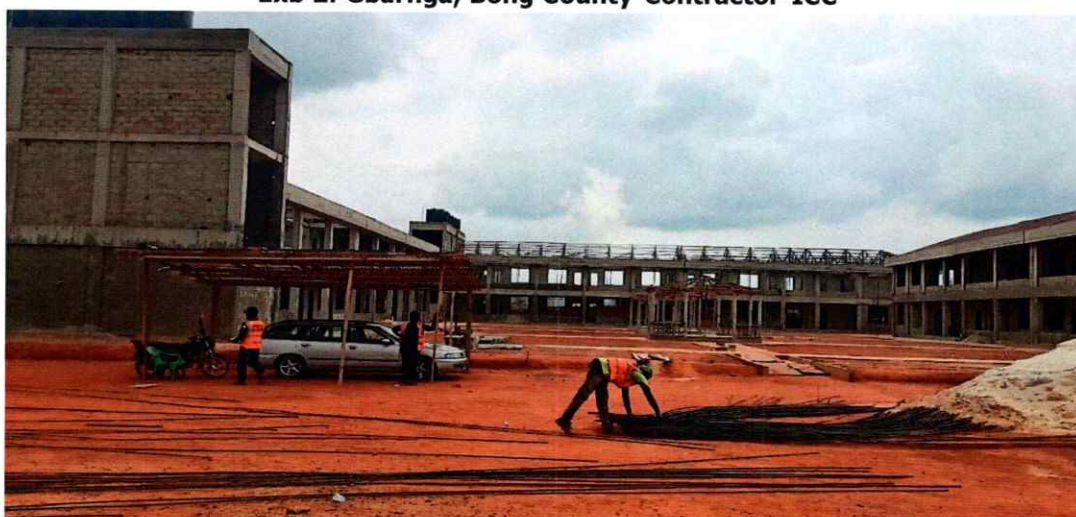
No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of Recommendation	Activities performed	Outstanding activities
		services where applicable. All relevant Supporting documents should be adequately documented and filed to facilitate future review.		to provide us with the names of the specific schools involved and the particular document missing (instead of the generic statement in the table above "lack of supporting document for the amount paid"). This information will enable us to investigate and Address any non Compliance promptly.				

Exhibit 1: Delay in the Construction of Three Super Senior High Schools

Exb 1: Kakata, Madina Community Margibi County-Contractor-JLN



Exb 2: Gbarnga, Bong County-Contractor-ICC



Exb 3: Ganta, Gbuyee Community, Nimba County-Contractor-Constar



Annexure 2: Abandoned Construction Site by Constructors

**Exhibit 1:a Zammi Town abandoned IRISE Site at foundation level by JLN Construction Company
(April 8, 2024-4:30 PM) Rivercess**



**Exhibit 1:b Bogeze abandoned IRISE Site at revelation level by JLN Construction Company (April
8, 2024-6:30 PM) Rivercess**



**Exhibit 2a : Gbanken abandoned IRISE Site by JLN Construction Company (April 12, 2024-2:30PM)
Grand Kru**



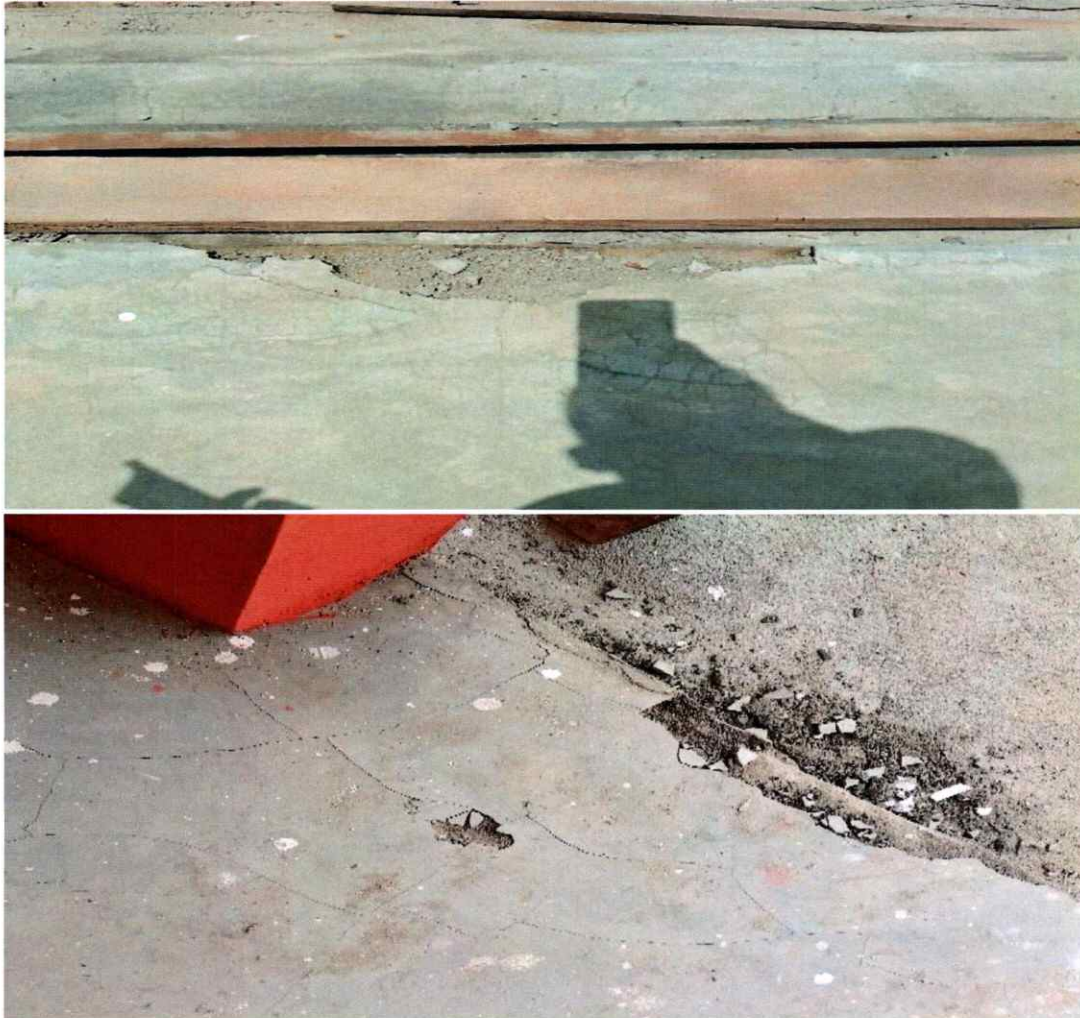
**Exhibit 2b: Niffu abandoned IRISE Site by JLN Construction Company (April 12, 2024-3:45PM)
Grand Kru**



**Exhibit 3: Duo Gotor abandoned IRISE Site by JLN Construction Company (April 16, 2024-4:30PM)
Nimba Co.**



**Annexure 3, exhibit 1 Deficient Construction Work done by ELITE Construction Company in Wong,
Margibi County**



Management Letter On the Financial Statements Audit of the
Improving Results for Secondary Education Project (IRISE)
For the Year Ended December 31, 2023

Name	Time in	Date	Position
German Gony	8:00	✓	Registrar
Abraham Mome	8:01	✓	Teacher
Akazo Gony	8:26	✓	FLC
Noble B. Youngman	8:30	✓	
TUESDAY APRIL 16, 2024			
1. Christiana Oumore	6:50 AM	16/04/24	Teacher
2. Andy Janywa	7:00		VPI
3. Meauri S. Bumbo	7:05		VPA
4. German Gony	7:15	16/04/24	Teacher
5. Abraham W. Youngman	7:16 AM	16/04/24	VIT
6. Victor S. Abo Jr.	7:17 AM	16/04/24	Teacher
7. Houston Mome	7:18	✓	Registrar
8. Joseph S. Aefei	7:19	✓	Teacher
9. Emmanuel Tumah	7:56	✓	VIT
10. Albert Obarte	7:57	16/04/24	Teacher
11. Daniel Sumo	8:00	"	"
12. Chris W. Kokieli	8:01	1111	VIT
13. Cume D. R. Nuahe	8:06	April 16, 2024	VIT
14. Gerald Gonggoy	8:07	✓	Teacher
15. Mark S. M. Leigben	7:26	✓	VIT
16. Paul M. Kansa	8:00 AM	"	Teacher
17. Alvin Yadeb	8:14	"	Principal
LATE			

Teacher's Attendance	Time in	Time out	Signature
April 22/24			
1. Joseph K. Sneh	7:18	3:45	[Signature]
2. Alexander P. Dno	7:20		[Signature]
3. Abiodun A. O.	7:40am		[Signature]
4. Sylvester M. Kromah	7:42am	2:50pm	[Signature]
5. Zee Cole [unclear]	7:17		[Signature]
6. Lebbie [unclear]	7:2		[Signature]
7. [unclear]	7:20		[Signature]
8. Jimmy Paye	7:35		[Signature]
9. [unclear]	7:39		[Signature]
10. Wahlgren Wanda	7:40		[Signature]
11. Kompo K. Meyer	8:36		[Signature]
12. [unclear]	8:38		[Signature]
13. [unclear]	8:39	3:00	[Signature]
13. George C. Sirey	8:33		[Signature]
April 23/24			
1. Joseph K. Sneh	7:16	3:55	[Signature]
2. [unclear]	7:30		[Signature]
3. Rev. Joe T. Wilson	7:34		[Signature]
4. Zee Cole [unclear]	7:44		[Signature]
5. Kompo K. Meyer	7:35		[Signature]
6. Wahlgren Wanda	7:38		[Signature]
7. [unclear]	7:39	2:45	[Signature]
8. Abiodun A. O.	7:40am		[Signature]
9. [unclear]	7:42		[Signature]
10. Sylvester M. Kromah	7:50am	3:30pm	[Signature]
11. Jimmy Paye	7:55		[Signature]
12. Alexander P. Dno	7:25		[Signature]
13. [unclear]	8:30		[Signature]
14. Joe O. Williams	7:45		[Signature]
15. George C. Sirey	7:48		[Signature]