



Management Letter

On the Financial Statements Audit of the Cheesmanburg Landfill Urban Sanitation Project (CLUSP) Monrovia City Corporation (MCC)

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

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AfDB	African Development Bank
AG	Auditor General
APA	Assistant Project Accountant
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigation Professional
CLUS	Cheesmanburg Landfill Urban Sanitation
COTABD	Class of Transaction Account Balances and Disclosures
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GOL	Government of Liberia
IDA	International Development Assistance
IPFMRP	Integrated Public Financial Management Reform Project
IPSAS	International Public Sector Accounting Standards
M & E	Monitoring and Evaluation
MSC	Ministerial Steering Committee
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PPC Act	Public Procurement & Concession Act
PPCC	Public Procurement and Concession Commission
PSC	Project Steering Committee
PV	Payment Voucher
SPA	Senior Project Accountant
US\$	United States Dollar

June 18, 2024

Hon. John Charuk Siafa
Monrovia City Mayor
Monrovia City Corporation (MCC)
1st Street, Sinkor
Monrovia, Liberia

Dear Hon. Siafa:

Re: Management Letter on the Audit of the Cheesmanburg Landfill Urban Sanitation Project for the year ended December 31, 2023.

The Audit of the Financial Records of the Cheesmanburg Landfill Urban Sanitation (CLUS) Project for the year ended December 31, 2023 was commissioned by the Auditor-General (AG) under AG's mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

Introduction

The CLUS Project account is managed by the Minister of Finance in terms of the Grant agreement as of October 12-16, 2020.

The objective of the audit were to express professional opinion on the CLUS Project Financial Reports for the year ended December 31, 2023, as submitted to the World Bank and express an audit opinion according to Cash Basis International Public Sector Accounting Standards (IPSAS) promulgated by International Federation of Accountants (IFAC), whether the Financial Reports of the Liberia Integrated Public Financial Management Reform Project submitted to the Bank are in accordance with the Project Financial Management Unit's (PFMU) policies and World Bank requirement for financial reporting".

Audit Scope and Methodology

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) as well as the Engagement (Audit) Terms of Reference. These standards require that we plan and perform the audit so as to obtain reasonable assurance whether the CLUS Project's financial statements and related records are free of material misstatements due to errors or fraud and comply with ethical requirements.

In planning and performing the audit, we considered the CLUS Project internal controls over financial reporting that were considered to be significant deficiencies. Significant deficiencies involve matters coming to our attention relating to deficiencies in the design or operation of internal control over financial reporting that, in our judgment could adversely affect the CLUS Project's ability to initiate, authorize, record, process and report financial data reliably in accordance with the International Financial Reporting Standards, Cash Basis and the World Bank financial reporting framework.

Towards this end, we reviewed the Grant agreement, business and the control environment of the CLUS Project through which risks of material misstatements affecting its operations were assessed using a risk-based approach. Audit procedures considered necessary were thus pursued to address the risks identified within CLUS Project's operations.

Limitation of Responsibility

We reviewed the systems and management controls operated by the CLUS Project only to the extent we considered necessary for the effective performance of this audit. As a result, our review may not have detected all weaknesses that existed or all improvements that could have been made.

The responsibility to put in place effective systems and controls for the prevention and detection of fraud, error and non-compliance with applicable accounting standards, laws and regulations and policies is the duty of the CLUS Project.

Our responsibility under AG's mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR) is to provide certification on the CLUS Project's financial statements and related records based on the outcome of our examination of the financial statements and related records.

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Cheesmanburg Landfill Urban Sanitation Project Management Team and other individuals who contributed to success of this Audit. The audit findings which were identified during the course of the audit are included.

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



Monrovia, Liberia

June 2024

1. DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Lack of Signing Date of the Financial Statements

Criteria

- 1.1.1.1 Paragraph 1.4.5. of the IPSAS Cash basis reporting framework states "An entity shall disclose the date when the financial statements were authorized for issue and who gave the authorization. If another body has the power to amend the financial statements after issuance, the entity shall disclose that fact.
- 1.1.1.2 Regulation I.11. of the PFM Act of 2009 as amended and restated 2019-Annual Government Agency Accounts, states "(1) There shall be prepared by the head of government agency or an administrator or head of any Government agency and transmitted to the, the Minister and the Comptroller-General in respect of the year, accounts covering all Public Funds under his control. The accounts shall be submitted within a period of two months after the end of each fiscal year, or such other period as the Legislature may by resolution appoint and shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia.

Observation

- 1.1.1.3 During the audit, we observed that Management did not indicate the date of approval on the financial statements. As the result of the omission of approval dates on the financial statements, we could not ascertain the timely preparation of the financial statements.

Risk

- 1.1.1.4 Management may be non-compliant with Regulation I.11. of the PFM Act of 2009 as amended and restated 2019.
- 1.1.1.5 In the absence of date of authorization on the financial statements, evidence may not be available to authenticate timely preparation and presentation of the financial statements.
- 1.1.1.6 Untimely presentation and approval of the financial statements may impair accountability and decision-making.

Recommendation

- 1.1.1.7 Management should adjust the financial statements to include the date of approval adjacent to the signatures of the authorizers. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.

Management's Response

- 1.1.1.8 *This was resolved during the audit and please see attached revised financial statements for your consideration. Exhibit I.*

Auditor General's Position

- 1.1.1.9 We acknowledge Management's acceptance of our findings, recommendations and subsequent adjustments of the financial statements.

1.1.2 Matching Grant Assets Procured for Beneficiaries Not Coded

Criteria

- 1.1.2.1 Regulations V.4 (2) of the PFM Act of 2009 as amended and restated 2019 states that, "The master inventory shall record under each category of item:
- the date and other details of the voucher or other document on which the items were received or issued;
 - their serial numbers where appropriate; and
 - their distribution to individual locations and the total quantity held."
- 1.1.2.2 During the audit, we observed the following irregularities associated with the project assets management system:
- Several of the project's fixed assets amounting to US\$117,625.00 acquired for CLUS Project were not coded. **Please see Annexure 1 for details.**
 - There was no evidence of movement of assets form;
 - The fixed assets register did not contain all the relevant columns: depreciation expense, accumulated depreciation and net book value;
 - There was no evidence of periodic physical verification of fixed assets;
 - Fixed assets within a given vicinity were not displayed as required by the PFM Act.
 - A vehicle procured by the project assigned to Paynesville City Corporation had a private license plate (A5329) attached and the vehicle was not coded nor contained the project's logo as a required control for all project assets.

Risk

- 1.1.2.3 Fixed Assets Register may be misstated (Over/understated).
- 1.1.2.4 Assets may be damaged or impaired, but their values are still on the books.
- 1.1.2.5 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.1.2.6 The lack of asset movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 1.1.2.7 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the project's objectives.
- 1.1.2.8 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

- 1.1.2.9 Management should ensure that the fixed assets register is updated to reflect the following; description, source of purchase, date of purchase, class, code, assignee, location, condition, original cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.1.2.10 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.
- 1.1.2.11 Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.1.2.12 Management should enforce a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed asset verification exercises. Discrepancies in coding identified during verification should be updated in a timely manner.
- 1.1.2.13 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 assets.
- 1.1.2.14 Management should ensure that all project vehicles are registered in the name of the project and maintain the assigned license plates at all times. The vehicles should be appropriately coded with the assigned assets codes and the project logo.

Management's Response

- 1.1.2.15 *The Coding of these assets was already in process before the draft ML, however, these assets have been coded. See Exhibit II.*

Auditor General's Position

- 1.1.2.16 Management's assertion 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.

1.2 Administrative Related Issues

1.2.1 Irregular Meeting of Steering Committee

Criteria

- 1.2.1.1 Annex 12, Titled TOR-Project steering Committee Paragraph two, of the Project Implementation Manual establishes a Project Steering Committee which comprises the Ministry of Finance and Development Planning, Ministry of Internal Affairs, Ministry of Public Works, Environmental Protection Agency, Monrovia City Corporation and the Paynesville City Corporation.

1.2.1.2 Count 2.0 of Annex 12 states that; The mandate of the Steering Committee of the CLUS project shall have oversight of the CLUS project and provide technical input, direction, advice, recommendations and support to ongoing activities as well as new programs, initiatives to the PIU implementing the CLUS project in accordance with the approved Project Appraisal Document and the Project Implementation Manual with the aim of improving solid waste delivery to the residents of Greater Monrovia (Monrovia, Paynesville, and surrounding Townships).

1.2.1.3 Count 5.0 of Annex 12 also states that; Meetings shall be held once in every quarter. Citation which shall contain the date, time and place of a meeting shall be served at least 5 working days in the event there is a need for an emergency meeting.

1.2.1.4 Meeting minutes will be taken by the PIU at all meetings. The minutes will be less formal and will focus more on action items produced by the Committee. Upon approval, the minutes will be distributed electronically to the SC members.

Observation

1.2.1.5 During the audit, we observed that the Project Steering Committee met once instead of four times as required by the PIM count 5.0.

Risk

1.2.1.6 The absence of regular Steering Committee Meeting may impair the strategic oversight activities of the committee.

1.2.1.7 Management may implement activities on a discretionary basis.

Recommendation

1.2.1.8 Management should liaise with the relevant authorities of the Steering Committee to ensure that the steering committee is made fully functional.

1.2.1.9 The Steering Committee should be made functional evidence of the conduct of periodic meetings, approval of major decisions of Management, deliberation on any matter involving the project and documentation of meeting minutes and periodic activities reports.

1.2.1.10 Evidence of minutes of meetings and periodic activities reports should be adequately documented and filed to facilitate future review.

Management's Response

1.2.1.11 *Management has taken note of the Auditor's recommendation and will liaise with the relevant authorities of the Steering Committee to ensure that the steering committee is fully functional.*

Auditor General's Position

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

1.2.2 No Organizational Chart

Criteria

- 1.2.2.1 The Commission on Sponsoring Organization (COSO) of the Treadway Commission Framework requires Board's oversight responsibilities including providing advice and direction to management, constructively challenging management, approving policies and transactions, and monitoring management's activities. Consequently, the board of directors is an important element of internal control. The board and senior management establish the tone for the organization concerning the importance of internal control and the expected standards of conduct across the entity

Observation

- 1.2.2.2 During the audit, we observed that Management did not have an approved organizational chart showcasing approved hierarchical structure/chain of command of the project and line of reporting.

Risk

- 1.2.2.3 The concepts of segregation of duties and check and balance may not be achieved which may impair effective coordination, reporting and the operations of the project.
- 1.2.2.4 A clearly defined reporting structure may not be established thereby impairing segregation of duties and checks and balances.

Recommendation

- 1.2.2.5 Management should develop, approve and operationalize an organizational chart that details established hierarchical structure, clearly defined reporting channels and authorities and responsibilities within the project. Evidence of approved organizational chart should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.6 *As per your observation on section 1.2.2.2, please note that management has an approved organizational chart showcasing an approved hierarchical structure/chain of command of the project and line of reporting. See Exhibit III.*

Auditor General's Position

- 1.1.1.1 We acknowledge Management's assertions and subsequent submission of the approved organogram after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.1.1.2 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.

1.2.3 Payments made on Invalid Tax Clearance and Business Registration

Criteria

- 1.2.3.1 Section 7.3.2 of the PFMU Financial Procedure Manual states, "All payments (local) to vendors should be accompanied by valid Business Registration and Tax Clearance. In the absence of a valid Business Registration and Tax Clearance, valid Tax payment receipt would suffice. Note: The validity (timing) of the Tax Clearance should be compared to the Delivery Date or Date of Completion of Service."
- 1.2.3.2 Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 as amended and restated 2010 states that "Bids which are not complete, not signed, not accompanied by a bid security in the prescribed form, if one is required, or not accompanied by essential supporting documents such as business registration certificates, business licenses and tax receipts, or are substantially non-responsive to the technical specifications or contract conditions or other critical requirements in the bidding documents, shall be rejected and excluded from further evaluation and comparison".

Observation

- 1.2.3.3 During the audit, we observed that Management authorized payments amounting to US\$14,717.00 to a business entity without evidence of tax clearance and valid business registration certificates. **Please see Table 2 below for details:**

Table 2: Payment made on Invalid Tax Clearance and Business Registration

Date	Vendor	Voucher No.	Tax Clearance	Business Registration	Amount US\$
16/08/2023	American Procurement Services	066	Not Available	Not Available	14,717.00
	TOTAL				14,717.00

Risk

- 1.2.3.4 Management's failure to obtain valid Tax Clearance & Business Registration Certificates from vendors may deny Government of the needed tax revenues.
- 1.2.3.5 Management may be non- Compliant with Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 as amended and restated 2010.
- 1.2.3.6 In the absence of valid business registration and tax clearance certificates, payment may be made to illegitimate vendors leading to loss of much needed tax revenue.

Recommendation

- 1.2.3.7 Management should ensure that for all transactions involving procurement of goods and services, valid Tax Clearance and Business Registration Certificates should be obtained as required by Part U.9. (4) of the Public Financial Management (PFM) Regulation of 2010 and Part V Section 62 (2) of the Public Procurement and Concession (PPC) Act of 2005 as amended and restated 2010.

- 1.2.3.8 Evidence of valid business registration and tax clearance certificates should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.3.9 *The PFMU/MFDP does not process request for payment without a valid Tax Clearance and Business Registration document. These documents may have fallen from the voucher during movement of the document. See Exhibit IV.*

Auditor General's Position

- 1.2.3.10 We acknowledge Management's assertions and subsequent submission of valid tax clearance and business registration certificates after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.2.3.11 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.

1.2.4 Failure to Remit Goods and Service Taxes (GST)

Criteria

- 1.2.4.1 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended and restated 2011 stipulates: "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".
- 1.2.4.2 Section 91. (a) of the revised Revenue Code of 2011 states that; A person required under the provisions of this Code or regulations hereunder to withhold, collect, segregate, account for, or pay over any tax or other revenues of the Republic and who knowingly fails to do so commits a misdemeanor. Upon conviction, in addition to any other sanctions that may be provided by law, the person is subject to a fine of not more than \$50,000.00, imprisonment for not more than one year, or both.

Observation

- 1.2.4.3 During the audit, we observed that Management did not remit the total amount of US\$21,638.48 as withholding taxes on Goods and Services withheld from vendors and contractors to LRA. **See Table 3 below for details.**

Table 3: Failure to Remit Good and Service Taxes (GST)

No.	Payee	Voucher No.	Amount US\$
1	Worldwide Group Inc	014	468.00
2	Magnetic Group of Companies	039	1,316.72

No.	Payee	Voucher No.	Amount US\$
3	American Procurement Service	066	300.34
4	Wassim Hamdam	014	3,259.20
5	Hammer Inc.	039	196.50
6	Pieter Smut	054	1,244.82
10	INMACO	038	2,010.00
11	United Motor Company	042	148.00
12	Aminata & Sons Inc.	043	548.45
13	Khalil Brothers Inc.	081	144.00
14	United Motor Company	034	144.40
16	Monster Garage	141	295.38
17	Monster Garage	110	89.38
18	Curry Transport Service	118	1,550.40
19	Curry Transport Service	080	2,445.30
20	Hammer Inc.	093	96.75
21	Curry Transport Service	041	2,787.30
22	Curry Transport Service	037	1,744.20
23	Ecogreen Inc.	078	2,075.89
26	Conex Energy	041	56.90
27	Conex Energy	004	81.56
28	Conex Energy	038	106.38
29	P. Nmah Enterprise	029	528.61
	Total		21,638.48

Risk

- 1.2.4.4 Failure to remit taxes withheld, may deny GoL of much needed tax revenue.
- 1.2.4.5 Management may be non-compliant with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 which may result in to penalties for late payment and failure to pay.
- 1.2.4.6 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

Recommendation

- 1.2.4.7 Management should provide substantive justification for not remitting withholding taxes to the LRA.
- 1.2.4.8 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Sections 91 and 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.2.4.9 Going forward, Management should withhold all taxes and facilitate full remittance of same to the General Revenue Account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011. Evidence of remittance of withholding taxes including original copies of flag receipts and all relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.4.10 *Payment of taxes from the SIB account have been a serious challenge for the PFMU but with the new tax payment system all outstanding taxes are being process and will be remitted to the requisite account (LRA account). Again, no flag receipt is issued for these payments that are made to the LRA/GOL account by the PFMU. Rather, a Tax remittance advice is provided by the LRA to the PFMU and not a flag receipt. Such advice is given to the payee, who takes it to the LRA to obtain a Flag Receipt.*

Auditor General's Position

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

2 STATUS OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

No.	Findings	Recommendation(s)	Status
1.	During the audit, we observed that payments amounting to US\$46,000.00 were made to separate clients on different dates but were paid on the same voucher number.	Management should ensure that all vouchers are serially and uniquely numbered, dated and authorized during the processing of all transactions.	Implemented
2.	During the audit, we recomputed the closing balance of the Liberian Dollars Bank Account using the closing rate per the Central Bank of Liberia (CBL) and summed-up the total bank account balances. Further, we reconciled our recomputed bank account balances to the cumulative fund balance and observed a variance of US\$126,229.35.	<p>Management should reconcile the bank closing balances to the cumulative fund balance and restate the adjusted cumulative fund balance in the financial statements.</p> <p>Going forward, Management should perform a monthly reconciliation between the bank balances per the bank statements and cumulative fund balance reported in the general ledger. Variances identified should be investigated and adjusted where applicable in a timely manner. For the purpose of the reconciliation, the Liberian Dollars Account Balance should be converted using the CBL month end closing rate.</p>	Implemented
3.	<p>During the audit, we observed that the Project's bank reconciliation statements show that, there were no names and titles/positions for the preparer, reviewer, and the person responsible to approve the bank reconciliation statements as indicated in count 6.5.3 above.</p> <p>Moreover, this issue was raised during last audit but Management failed to address our finding and recommendation.</p>	Management should ensure that the titles of the preparer, reviewer and approval of the bank reconciliation statements are indicated adjacent their signatures to validate the existence of segregation of duties, check and balance, and a comprehensive review system.	Implemented
4.	During the audit, we observed that payments amounting to US\$225,467.56 made to separate clients on different dates but were paid on the same voucher numbers.	Management should ensure that all vouchers are serially and uniquely numbered, dated and authorized during the processing of all transactions.	Implemented
5.	During the audit, we observed that the Project's bank reconciliation statements show that, there were no names and titles/positions for the preparer, reviewer,	Management should ensure that the titles of the preparer, reviewer and approval of the bank reconciliation statements	Implemented

No.	Findings	Recommendation(s)	Status
	and the person responsible to approve the bank reconciliation statements as indicated in count 6.5.3 above. Moreover, this issue was raised during last audit but Management failed to address our finding and recommendation.	are indicated adjacent their signatures to validate the existence of segregation of duties, check and balance, and a comprehensive review system.	
6.	During the audit, we observed that the Project's bank reconciliation statements for the period under audit, were prepared far beyond the required time stipulated in the PFMU Financial Procedural Manual stated above.	Management should facilitate timely preparation and approval of monthly bank reconciliation statements ten (10) days after the month end consistent with Count 6.5.1 of the PFMU Financial Procedure Manual revised February 2020.	Not Implemented
7.	During the audit, we observed that for the period July 1, 2021 to December 31, 2022, Management did not indicate the rate of translation for L\$936,665.04 in the notes to the financial statements nor in the bank reconciliation statements. Additionally, Management did not disclose the exchange difference as a reconciling item between opening and closing balances. Moreover, the effect of exchange rate changes on cash held in the foreign currency is not reported in the statement of cash receipts and payments.	Management should adjust the financial statements and appropriately disclose foreign currency transactions. Going forward, Management should facilitate full and adequate disclosure of foreign currency transactions consistent with the standards mentioned above.	Not Implemented
8.	During the audit, we observed that the explanatory Notes relating to the causes of significant variances between the budget and actual amounts were not disclosed in the financial statements.	Management should ensure that full and adequate disclosures are made for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017).	Implemented
9.	During the audit, we observed that the financial statements signed by the Director of Donor Funded Projects of the PFMU, MFDP and the Project Coordinator did not specify the actual date the document was prepared and signed.	Management should adjust the financial statements to include the date of approval adjacent to the signatures of the authorizers.	Implemented
10.	During the audit, we observed that the financial statements were prepared for a period other than one year without	Management should facilitate full and adequate disclosures in the notes to the financial statements	Implemented

No.	Findings	Recommendation(s)	Status
	<p>explanatory notes for the reason(s) thereto.</p> <p>Additionally, we observed that Management did not disclose that the amounts for prior and current periods figures may not be comparable due to the change in the reporting period.</p>	<p>consistent with Paragraph 1.4.1 of the 2017 revised Cash Basis IPSAS.</p>	
11.	<p>During the audit, we observed that there was no evidence that the Steering Committee was functional as a policy making and oversight body of the Project. We obtained no evidence of the following:</p> <ul style="list-style-type: none"> • Meeting minutes of the Committee. • Steering Committee approval for major decisions taken by Management • Steering Committee deliberation on any matter involving the project. <p>Additionally, members of the Steering Committee received gasoline and scratch cards quarterly as benefits to the committee.</p>	<p>Management should liaise with the relevant authorities of the Steering Committee to ensure that the steering committee is made functional.</p> <p>The Steering Committee should be made functional evidence of the conduct of periodic meetings, approval of major decisions of Management, deliberation on any matter involving the project and documentation of meeting minutes and periodic activities reports.</p> <p>Evidence of minutes of meetings and periodic activities reports should be adequately documented and filed to facilitate future review.</p>	Not Implemented
12.	<p>During the audit, we observed that the following irregularities were associated with the project fixed assets management system.</p> <p>Several of the project's fixed assets were not coded, The fixed assets register was not regularly updated, There was no evidence of movement of assets form, The fixed assets register did not contain all the relevant columns, There was no evidence of periodic physical verification of fixed assets The assets verification exercise at the PIU offices PCC and Whein Town uncovered more assets available than are recorded in the register.</p> <p>Fixed assets within a given vicinity were not</p>	<p>Management should ensure that all assets value is recorded and maintained in the register.</p> <p>Management should ensure that the fixed assets register is updated to reflect the following; description, source of purchase, date of purchase, class, code, assignee, location, condition, original cost, depreciation expense, accumulated depreciation and net book value of the assets.</p> <p>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</p>	Not Implemented

No.	Findings	Recommendation(s)	Status
	displayed as required by the PFM Act.	<p>and filed to facilitate future review.</p> <p>The Fixed Assets Register should be updated periodically to reflect all project's assets.</p> <p>Fixed assets within a particular vicinity should be clearly displayed as required by the PFM Act.</p> <p>Management should initiate/enforce a systematic fixed assets coding system to ensure all fixed assets are uniquely identified. This control will facilitate the efficient and effective periodic fixed asset verification exercises. Discrepancies in coding identified during verification should be updated in a timely manner.</p> <p>A Movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Assets Register should be updated to reflect the change in location of assets.</p>	

ANNEXURES

Annexure 1: Matching Grant Assets Procured for Beneficiaries Not Coded

ITEM DESCRIPTION	Date	Quantity	LOCATION	ASSET CODE	HISTORICAL COST US\$	CONDITION	ASSIGNEE
Thinkpad Lenovo Core i7	9-May-22	1pc	PIU CLUS/ IT Office	Not Coded	1,025.00	Good	Data Analyst - 1
Thinkpad Lenovo Core i7	9-May-22	1pc	PIU CLUS/ IT Office	Not Coded	1,025.00	Good	Data Analyst - 2
Thinkpad Lenovo Core i7 Canon Pixma (G3411) Printer	9-May-22	1pc	PIU CLUS/ IT Office	Not Coded	1,250.00	Good	IT Office/ Emmanuel Dakloma
Canon Pixma (G3411) Printer	27-Jan-23	1pc	PIU CLUS/ IT Office	Not Coded	550.00	Good	GPRBA Office
Thinkpad Lenovo Core i5	18-Jan-23	1pc	Procurement Unit	Not Coded	1,550.00	Good	Procurement Specialist
Thinkpad Lenovo Core i5	18-Jan-23	1pc	Accounts	Not Coded	1,550.00	Good	Accounts Officer
Canon G3411 Printer	18-Jan-23	1pc	Procurement Unit	Not Coded	550.00	Good	Social Safeguard Unit/CLUS/PIU
Lenovo Thinkpad Lenovo i3	27-Jan-23	1pc	Office of Social Safeguard	Not Coded	1,025.00	Good	Social Safeguard Specialist/CLUS/PIU
HP Laptop Core i3	27-Jan-23	1pc	Office of Social Safeguard	Not Coded	1,025.00	Good	Safeguard Officer/ GBRBA Office Asst/ CLUS/PIU
HP Laptop Core i3	27-Jan-23	1pc	Office of Social Safeguard	Not Coded	1,025.00	Good	Safeguard Officer/ GBRBA Office Asst/ CLUS/PIU
Furious 150 Motorcycle	9-Feb-22	1pc	CLUS/ PCC Paynesville	Not Coded	1,650.00	Good	PCC/CLUS
Toyota Hilux Pick-up	30-Aug- 22	1pc	CLUS/ PCC Paynesville	Not Coded	39,400.00	Good	PCC/CLUS
Liugong 835H	1-Apr-22	1pc	CLUS/ PCC Paynesville	Not Coded	66,000.00	Good	PCC/CLUS
Total					117,625.00		