



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT of FACTUAL FINDINGS



Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the Tree Crop Extension Project (TCEP) II.

IFAD Grant Number: 2000002588

IFAD Loan Number: 2000002589

IFAD Additional Grant Number: 2000003501

IFAD Additional Loan Number: 2000003502

IFAD Additional Loan Number: 2000004437

For Year Ended December 31, 2024

May 2025

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

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## ACRONYM

Acronym/Abbreviation/Symbol	Meaning
AA	Administrative Assistant
AG	Auditor General
AWPB	Annual Work Plan and Budget
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
COBIT	Control Objectives for Information and Related Technology
COSO	Committee on Sponsoring Organization
CPA	Certified Public Accountant
FC	Financial Comptroller
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
IFAD	International Fund for Agriculture Development
IFR	Interim Financial Reports
ISSAI	International Standards of Supreme Audit Institutions
MFDP	Ministry of Finance and Development Planning
MoA	Ministry of Agriculture
M&E	Monitoring and Evaluation
NSC	National Steering Committee
PC	Project Coordinator
PFM	Public Financial Management
PIU	Project Implementation Unit
PMU	Project Management Unit
RL	Republic of Liberia
TCEP	Tree Crop Extension Project
US\$	United States Dollars



**Republic Of Liberia**



**AUDITOR GENERAL'S REPORT**

June 24, 2025

Hon. J. Alexander Nuetah, PHD

**Minister**

Ministry of Agriculture

Ministerial Complex, Congo Town

Montserrado County, Liberia

We have performed the procedures agreed with IFAD/PIU/PMU and the Ministry of Agriculture and enumerated below with respect to the IFRs Based Disbursement Procedures on the for the the Tree Crop Extension Project (TCEP) II; IFAD Grant Number: 2000002588; IFAD Loan Number:2000002589; IFAD Additional Grant Number:2000003501; IFAD Additional Loan Number:2000003502; IFAD Additional Loan Number: 2000004437, as at December 31, 2024, set forth in the accompanying schedules.

Our report is solely for the purpose of assisting International Fund for Agricultural Development in determining whether the Ministry of Agriculture IFAD Project Implementation Unit's IFR's Based Disbursement is compliant with Term of Reference for the IFAD Projects for the period ended December 31, 2024. This report is intended solely for IFAD PIU and the Ministry of Agriculture, and should not be used by, or distributed to any other parties.

The Purpose of this Agreed-Upon Procedure Report is to also determine whether the expenditures claimed through the statement of expenditure (SOE) are outlined in the AWPB and IFR Based Disbursement procedures were properly and appropriately authorized, classified and supported by adequate documentation.

**Procedures and Findings**

We have performed the procedures described below, which were agreed upon with IFAD MoA PIU in the terms of reference date December 31, 2023, on the IFRs Based Disbursement Procedures.

**Auditor General's Report on the Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the Tree Crop Extension Project. II for the for the financial year January 1, 2024 to December 31, 2024**

No.	Procedures	Findings
	<b>Interim Financial Statement</b>	
	Ascertain that the financial management system is reliable to produce the IFRs and has met Fund requirement during the year.	We access the financial management system at the PIU and observed that it is adequate for the production of IFRs. The system met the fund requirement as well.
	Determine whether the expenditures incurred are related to activities outlined in the AWPB and consistent with the grant agreement.	A comparison of figures per activities outlined in the approved AWPB and AWPB figures recorded in the IFRs shows consistencies.
	Determine whether the funds have been utilized for the intended purposes, with due regard to economy, efficiency and social equity.	We observed from our interaction with the intended beneficiaries that the project funds were utilized in due regard to economy, efficiency and value for money. We reviewed the expenditure in relations to the approved AWPB. We observed variances between the approved AWPB and actual project funds disbursed during the period thus showing excess disbursement over approved budget. We could not determine the authority for such expenditure. <b>See Table 2 below for details.</b>
	Determine whether the threshold was set for the financing instrument and the IFRs prepared accordingly.	We reviewed the financial and administrative manual and all of its amendments. We observed that thresholds were set for the financing instrument.
	Determine their consistency with the annual financial statements.	Comparison of the figures in the IFRs show they were consistent with financial statements figures.
	Determine the reasonableness of the cash flow projections	Comparison of the projected cash forecast and actual cash disbursed revealed that cash flow projection during the period were not reasonable. <b>See table 1 for details.</b>
	Determine if expenditures incurred are related to the project description in according with the grant agreement.	A comparison of project financing agreement, Statement of Expenditure and IFRs shows that expenditures were in accordance with project description.
	Determine whether the expenditures claimed through IFRs were properly and appropriately authorized, classified and supported by adequate documentation.	Review of the IFRs revealed that expenditures were supported by adequate documents, properly and appropriately authorized and classified for financial reporting
	Identify any ineligible expenditure, including the nature of the ineligible expenditures, the date incurred, and the IFR period.	No ineligible expenditures were identified
	<b>Designated Account</b>	
	Check the accuracy of the Designated Account reconciliation(s).	We observed irregular reconciliation of Designated Account of the project. <b>See table 2 for details.</b>



**Auditor General's Report on the Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the Tree Crop Extension Project. II for the for the financial year January 1, 2024 to December 31, 2024**

No.	Procedures	Findings
	Confirm that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement and that transactions from the DA(s) are accurately and correctly recorded in the financial accounts and statements of the project.	A review of the project bank accounts shows that Designated Account have been maintained consistent with the Project financing agreement and transactions were recorded in the financial statements
	Check that expenditures as reported in the project's financial statements are reconciled with the amounts withdrawn from the DA and that the amounts deposited to the DA are reconciled with the amounts disbursed by the Fund.	A review of the SoE, DA and financial statements amount withdrawn and deposited in the DA reconciled to the financial statements.
	Reconciliation should also be made with the amounts paid from the prefinancing account and direct payments (if any).	Test was not possible because the project became effective four (4) years ago.
	<b>Withdrawal Application Statement</b>	
	Confirm that the withdrawal application statement is reconciled with the amounts disbursed by the Fund and deposited to the designated account (DA).	We reviewed the withdrawal application statement and project designated account bank statements. We observed that the amounts withdrawn from the special account were deposited in project designated account.
	Confirm that the withdrawal application statement is reconciled with the IFRs submitted to the Fund.	We reviewed the withdrawal application statement and IFR's submitted for disbursement. We observed that amounts recorded on the withdrawal application were reconciled to the IFRs.
	Ascertain whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account or the accounting rules used.	We reviewed the Designated Bank Account statement and the project operation bank account. We observed that Designated Account and project operation account were reported in the same currency (US dollars).
	Determine whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold.	We reviewed several transactions for the purchase of goods and services. We observed that procurement of goods and services were conducted in accordance with the SOE threshold.
	Determine whether the expenditures claimed through SOE and IFR Based Disbursement procedures were properly and appropriately authorized, classified and supported by audit documentation.	We reviewed the expenditure reports and IFRs. We observed that all expenditures were authorized, classified and supported by documentation.
	Identify any ineligible expenditure.	No ineligible expenditures were identified

**Table 1: Excess Disbursement over Annual Workplan and Budget Amount**

<b>IFAD GRANT TCEP II</b>	<b>AWBP US\$ (A)</b>	<b>ACTUAL DISBURSEMENT US\$ (B)</b>	<b>Variance US\$ C=(A)-(B)</b>
<b>CATEGORY</b>			
Salaries and Allowances	610,860.56	679,895.49	(69,034.93)

**Table 2: Cash Forecast and Actual Disbursement Variance**

<b>TCEPII IFAD ADD. GRANT 2000003501</b>	<b>Disbursement Forecast US\$ (A)</b>	<b>Actual Cash Disbursement US\$ (B)</b>	<b>Variance US\$ (C)=A-B</b>	<b>Percentage Variance US\$ (D)=(C/B)*100</b>
<b>Expenditure by CATEGORY</b>				
Civil Works	101,780.75	141,356.51	(39,575.76)	-28.00%
Goods & services			-	
Consultancies (and Services)			-	
SALARIES AND ALLOWANCES			-	
OPERATION COST				
<b>Expenditure by Component</b>				
A. Revitalization of Coca plantation			-	
B. Rehabilitation and maintenance	101,780.75	140,282.70	(38,501.95)	-27.45%
C. service provision for value chain development			-	
D. project Coordination momotoring and evaluation		1,073.81	(1,073.81)	-100.00%
<b>TCEPII IFAD ADD. LOAN 2000003502</b>	<b>Disbursement Forecast US\$ (A)</b>	<b>Actual Cash Disbursement US\$ (B)</b>	<b>Variance US\$ (C)=A-B</b>	<b>Percentage Variance US\$ (D)=(C/B)*100</b>
<b>Expenditure by CATEGORY</b>				
Civil Works	159,941.17	558,471.73	(398,530.56)	-71.36%
Goods & services			-	
Consultancies (and Services)			-	
SALARIES AND ALLOWANCES			-	
OPERATION COST			-	
<b>Expenditure by Component</b>				
A. Revitalization of Coca plantation			-	
B. Rehabilitation and maintenance	159,941.17	557,659.00	(397,717.83)	-71.32%
C. service provision for value chain development			-	
D. project Coordination momotoring and evaluation		812.73	(812.73)	-100.00%



**Auditor General's Report on the Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the Tree Crop Extension Project. II for the for the financial year January 1, 2024 to December 31, 2024**

<b>TCEPII IFAD GRANT 20000002588</b>	<b>Disbursement Forecast US\$ (A)</b>	<b>Actual Cash Disbursement US\$ (B)</b>	<b>Variance US\$ (C)=A-B</b>	<b>Percentage Variance US\$ (D)=(C/B)*100</b>
<b>Expenditure by CATEGORY</b>				
Civil Works	789,419.45	917,344.77	(127,925.32)	-13.95%
Goods & services	876,919.45	1,115.00	875,804.45	78547.48%
Consultancies (and Services)	385,722.43	72,079.20	313,643.23	435.14%
SALARIES AND ALLOWANCES	250,572.00	238,825.10	11,746.90	4.92%
OPERATION COST	52,304.82	17,538.96	34,765.86	198.22%
<b>Expenditure by Component</b>			-	
A. Revitalization of Coca plantation	282,066.00	4,625.00	277,441.00	5998.72%
B. Rehabilitation and maintenance	876,919.45	928,164.77	(51,245.32)	-5.52%
C. service provision for value chain development	252,627.43	15,471.00	237,156.43	1532.91%
D. project Coordination momotoring and evaluation	355,253.82	298,642.28	56,611.54	18.96%
<b>TCEPII IFAD LOAN 20000002589</b>	<b>Disbursement Forecast US\$ (A)</b>	<b>Actual Cash Disbursement US\$ (B)</b>	<b>Variance US\$ (C)=A-B</b>	<b>Percentage Variance US\$ (D)=(C/B)*100</b>
<b>Expenditure by CATEGORY</b>				
Civil Works	416,406.99	1,137,061.49	(720,654.50)	-63.38%
Goods & services	108,603.33	180,596.46	(71,993.13)	-39.86%
Consultancies (and Services)	898,341.54	317,997.68	580,343.86	182.50%
SALARIES AND ALLOWANCES		441,070.39	(441,070.39)	-100.00%
OPERATION COST	73,940.00	120,207.08	(46,267.08)	-38.49%
<b>Expenditure by Component</b>			-	
A. Revitalization of Coca plantation	266,437.06	183,148.27	83,288.79	45.48%
B. Rehabilitation and maintenance	449,184.12	1,114,460.62	(665,276.50)	-59.69%
C. service provision for value chain development	345,845.68	57,767.75	288,077.93	498.68%
D. project Coordination momotoring and evaluation	435,825.00	841,556.46	(405,731.46)	-48.21%



**Table 3: Irregular Reconciliation of Designated Account**

No.	ACCOUNT NAME	ACCOUNT NO	Outstanding Bank Reconciliation Reports for FY 2024
1	TCEPII LOAN ACCOUNT	0011602003725	January, February, March, April, June, July, August, September, October, November, and December
2	TCEPII GRANT ACCOUNT	0011602003732	January, February, March, April, June, July, August, September, October, November, and December
3	TCEPII Add LOAN ACCOUNT	0011502024895	January, February, March, April, June, July, August, September, October, November, and December
4	TCEPII Add GRANT ACCOUNT	0011502024905	January, February, March, April, June, July, August, September, October, November, and December

### **Professional Ethics and Quality Control**

We have complied with the ethical requirements as prescribed by ISSAI 130 and the independence requirements in accordance with ISSAI 130 (34).

General Auditing Commission (GAC) applies International Standard on Quality Control (ISQC) 1, *Quality Control for firms that Perform Audit and Review of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Responsibilities of the Engaging Party**

IFAD PIU has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

IFAD PIU (also the Responsible Party) is responsible for the subject matter on which the agreed-upon procedures are performed.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Engaging Party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

***Auditor General's Report on the Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the Tree Crop Extension Project. II for the for the financial year January 1, 2024 to December 31, 2024***

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

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

**May 2024**