



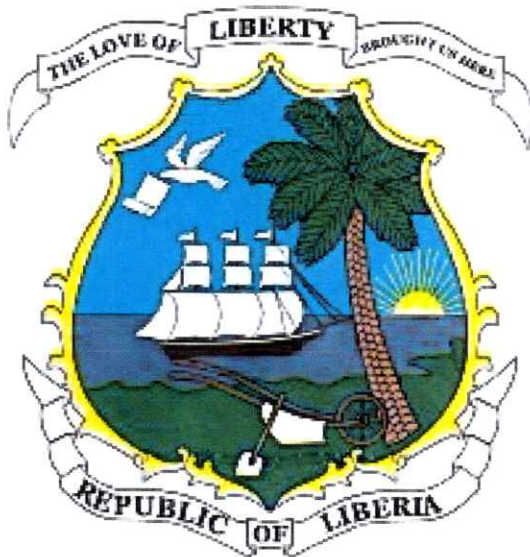
Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On the Audit of the Mano River Union Road  
Development & Transport Facilitation Programme  
(MRU-RDTP-I) Financial Statements**

**For the Year ended December 31, 2024**

**May 2025**



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

## **Table of Contents**

<b>Unqualified Opinion.....</b>	<b>3</b>
<b>Basis for Opinion.....</b>	<b>3</b>
<b>Management's Responsibility.....</b>	<b>4</b>
<b>Auditor's Responsibility .....</b>	<b>4</b>

## Acronyms

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AG	Auditor General
MRU/RDTFP	Mano River Union Road Development & Transport Facilitation Programme
AfDB	African Development Bank
CHICO	China Henan International Cooperation Group Co. LTD
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FAR	Fixed Asset Register
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FS	Financial Statements
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSIAs	International Standards of Supreme Audit Institutions
ML	Management Letter
MPW	Ministry of Public Work
NCB	National Competitive Bidding
OFM	Office of Financial Management
PFM	Public Financial Management
PPCA	Public Procurement & Concession Commission Act
PPCC	Public Procurement & Concession Commission
PV#	Payment Voucher Number
RFQ	Request for quotation
TOR	Term of Reference
US\$	United state Dollars



## **AUDITOR GENERAL'S REPORT**

June 25, 2025

Hon. Roland Layfette Giddings

**Minister**

Ministry of Public Works

South Lynch Street

Monrovia, Liberia

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP-I) PROJECT FOR THE YEAR ENDED DECEMBER 31, 2024.**

**Opinion**

We have audited the accompanying financial statements of the Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP-I) Project for the year ended December 31, 2024, which comprises the Statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Comparison of Budget and Actual Amounts, Statement of Financial Position and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments as of December 31, 2024, the Statement of Comparison of Budget and Actual Amounts, and a summary of other accounting policies and other explanatory notes for the year ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

**Basis for Opinion**

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the MRU I Management in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Project Implementation Manual (PIM) and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so. The MRU I Management is responsible for overseeing the Project's financial reporting process.

### **Auditor's Responsibility**

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Monrovia, Liberia**

June 2025



## Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project (use the correct title designation) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on December 31, 2024.

This responsibility includes (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2024, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

## Approval of the Project Financial Statements

The Project financial statements were approved by the Project Financial management Unit and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme project on 28<sup>th</sup> February – 2025

**STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2024**

2

<i>In United States Dollars</i>	Notes	December 31, 2024	December 31, 2023	Cummulative
<b>Receipt</b>				
AfDB Grant & Loan	4	734,058	97,384	3,730,701
<b>Toptal Receipt</b>		<u>734,058</u>	<u>97,384</u>	<u>3,730,701</u>
<b>Payment</b>				
Road Dev't & Mitigation of negative environmental impacts	5	-	-	179,076
Related Developments & Women's empowerment measures	6	23,121	40,162	295,338
Transport Facilitation	7	-	-	13,885
Institutional Support	8	269,207	164,028	2,600,940
Programme Management	9	-	-	-
<b>Total Payments</b>		<u>292,328</u>	<u>204,190</u>	<u>3,089,239</u>
Excess of receipts over payments (payments over receipts)		441,730	(106,805)	641,462
Fund Balance as at beginning		<u>199,732</u>	<u>306,537</u>	-
Cummulative fund balance		<u>641,462</u>	<u>199,732</u>	<u>641,462</u>

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



**STATEMENT OF FUND BALANCE AND CASH STATUS  
FOR THE PERIOD ENDED DECEMBER 31, 2024**

3

<i>In United States Dollars</i>		<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>A</b>	<b>Fund Balance</b>		
	Balance of Project Fund	199,732	306,537
	Add: Total Receipts during the period	734,058	97,384
	Total Fund available for operations	933,790	403,922
	Less: Total Payments during the period	292,328	204,190
	Balance of project fund at the end of the year	641,462	199,732
<b>B</b>	<b>Cash Status:</b>		
	Cash at Bank	641,462	199,732
	Total Cash on hand and in bank	641,462	199,732
	Difference between A and B	-	-

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



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024 4

14. Analysis of Variance

Activities Within Components	Project Allocation	Annual	Actual Expenditure	Variance
	US\$	US\$	US\$	US\$
Road Dev't & Mitigation of negative environmental impacts	94,515,000	-	-	-
Related Developments & Women's empowerment measures	5,093,860	48,432.52	23,121	25,312
Transport Facilitation	240,000	-	-	-
Institutional Support	3,410,000	170,564	269,207	(98,643.46)
Programme Management	-	-	-	-
<b>Total</b>	<b>103,258,860</b>	<b>218,996</b>	<b>292,328</b>	<b>73,332</b>


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



# STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

5

<i>In United States Dollars</i>	December 31, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalent	<u>641,462</u>	<u>199,732</u>
Total Assets	<u><u>641,462</u></u>	<u><u>199,732</u></u>
<b>Fund Balance</b>		
Grants	<u>641,462</u>	<u>199,732</u>
Accumulated Fund Balance	<u><u>641,462</u></u>	<u><u>199,732</u></u>

 Feb 7, 2025  
Papin Daniels, Jr.  
Director, Donor Financed Projects  
PFMU, MFDP

 Feb 7, 2025  
Rawlings Baco Kesselly  
Program Coordinator - MRU  
MoPW

## NOTES TO FINANCIAL STATEMENTS

6

### 1. Background and Information of the Project

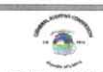
With support from the African Development Bank (AfDB); the MRU/RDFT- program is to boost the post-conflict economic recovery of the Mano River Union area by improving road infrastructure and promoting intra-community trade. The program seeks to improve transport conditions on the roads concerned in order to reduce transport costs, facilitate the free movement of persons and goods between the three (3) countries and improve the living conditions of program area communities. The program concerns the paving of 276.35 km of road network within the MRU, in the area bounded by forested Guinea ( Eastern Guinea); Danane, Bolequin, Toulepleu and Tabou Districts in Cote D'Ivoire (West and South West of Cote D'Ivoire); and the counties of Maryland and River Gee in Liberia. The MRU/RDF project was approved by the African Development Bank on **February 6, 2015** with a grant amount of **USD 103.2586 Million**. The aim of the project is

- Paving Karloken- Fish Town (80Km), Harper Junction – Cavally (16km) roads in Liberia including ESMP implementation, community awareness-raising on road safety, public health and safety awareness services and environmental protection, implementation of PAPs and work control supervision;
- Construction of 2 markets and training of women traders in accounting and control and supervision of related development works and women's empowerment
- Construction and equipment of PCJs including weighing/toll stations between Cote D'Ivoire and Liberia border on the Tabou-Harper highway, works control and surveillance, awareness-raising of road users and border control officers on inter-state road transport facilitation measures.
- Study on the preparation of the National Policy for Road Safety and Strategic Environmental Assessment of the Transport Sector and support to ensure the employment of 5 young graduates in the transport sector
- Socio-economic impact monitoring/evaluation of the programme in the 3 countries, financial and accounting audit of the programme in the 3 countries, material and logistical support to the programme executing agency in Liberia, technical and security audit of the program, regional monitoring indicators and material and logistical support to MRU

### 2. Use of Grant Proceeds

The table below sets out the categories of items to be financed out of the grant proceeds, the allocation of the amounts of the grant to each category and the percentage of expenditures for items to be financed in each category:

Category	Amount of grant allocated expressed in US\$	% of expenditure to be financed
Road Dev't & Mitigation of negative environmental impacts	94,515,000	100
Related Developments & Women's empowerment measures	5,093,860	100
Transport Facilitation	240,000	100
Institutional Support	3,410,000	100
<b>Total</b>	<b>103,258,860</b> =====	





## NOTES TO FINANCIAL STATEMENTS (continued)

7

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

	% of Expenditure
AfDB	100
Total	100
	=====

### 3. Significant Accounting Policies

#### Basis of accounting

The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Agreement as required by the African Development Bank Policies and Procedures and PFMU's Financial Management manual.

#### Reporting currency

Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of transactions. Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

#### Loan Receipts

Loan from donors for the MRU/RDTF project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the MRU/RDTF project and activities are made from the special account.

#### Cash and bank balances

Cash consist of cash in hand and balance at bank. Although there is a suspension posed on the all Liberia's portfolio by the African Development Bank (AfDB), for the MRU/RDTF-1, there was an existing account operated by the project before this suspension was enacted and transaction are still being processed through the Special Account opened during the initial stage of the project. Only major payments under the projects during the period were made through direct payments by the AfDB to consultants, contractors and vendors

#### Recognition of expenditure

All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the African Development Bank.

#### Tax

The project is 100 percent exclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8

In United States Dollars

	December 31, 2024	December 31, 2023	Cummulative
<b>4 Funds Received in SA</b>			
ADF -Loan - 2100150032544	125,689	97,384	3,122,333
TSF - Loan- 5900150000351	608,369	-	608,369
TSF2 - Loan- 2100150033397-P-Z1-DBO-164	-	-	-
Total Funds receive in SA	734,058	97,384	3,730,701
<b>Third Party Payments</b>			
ADF _Direct Payment	56,919	2,467,327	35,955,510
TSF _Direct Payment	-	231,191	22,338,922
TSF2 _Direct Payment	-	-	19,837,692
	56,919	2,698,518	78,132,123
<b>5 Road Dev't &amp; Mitigation of negative environmental impacts</b>			
Civil Works (80km-Karoken to Fist Town) +ESMP	-	-	179,076
Bridge Construction + ESMP	-	-	-
Construction of Road Site Market (2No.)	-	-	-
	-	-	179,076
<b>6 Related Developments &amp; Women's empowerment measures</b>			
Construction Supervision	-	11,003	15,449
Monitoring & Evaluation	7,741	10,739	235,140
Financial & Technical Audit	15,380	18,420	40,330
Technical/Road Safety Audit	-	-	4,420
HIV/AIDS, Malaria, Ebola and Gender Sensitization	-	-	-
	23,121	40,162	295,338
<b>7 Transport Facilitation</b>			
Cross Country Vehicles	-	-	-
Office Equipment & Accessories (IT & others)	-	-	13,885
	-	-	13,885
<b>8 Institutional Support</b>			
Road Improvement Activities	152,831	105,604	612,396
Project Coordination Support	116,376	58,424	676,923
	269,207	164,028	1,289,319
Compensation of PAPS	-	-	1,311,621
	269,207	164,028	2,600,940
<b>9 Programme Management</b>			
Programme Management	-	-	-
	-	-	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

9

<i>In United States Dollars</i>	December 31, 2024	December 31, 2023	Cummulative
<b>10 Cash receipts through the Special Account</b>			
IDA grant	734,058	97,384	3,730,701
<b>11 Cash paid</b>			
Road Dev't & Mitigation of negative environmental impacts	-	-	179,076
Related Developments & Women's empowerment measures	23,121	40,162	295,338
Transport Facilitation	-	-	13,885
Institutional Support	269,207	164,028	2,600,940
Programme Management	-	-	-
<b>Total Payments</b>	<b>292,328</b>	<b>204,190</b>	<b>3,089,239</b>

**Note:**

The third party payments of US\$56,918.5 which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors