



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT



**On the Financial Statement Audit of the Rural and Renewable Energy Agency (RREA) with project name Liberia Rural Renewable Access Project (LIRENAP)**

**Project ID Number: P149683**

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

**May 2025**

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

*AUDITOR GENERAL'S REPORT on the Financial Statement Audit of the Rural and Renewable Energy Agency (RREA) with project name Liberia Rural Renewable Access Project (LIRENAP) For the Year Ended December 31, 2024*

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**Acronyms / Abbreviations Symbols**

<b>Acronym</b>	<b>Meaning</b>
AG	Auditor General
AM	Aide Memoire
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
COSO	Committee of Sponsoring Organization of the Treadway Commission
FCCA	Fellow Member of the Association of Certified Chartered Accountant
GAC	General Auditing Commission
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards for Supreme Audit Institutions
LIRENAP	Liberia Rural Renewable Energy Access Project
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance and Development Planning
PAD	Project Appraisal Document
PAP	Project Affected Persons
PFM	Public Finance Management
PIM	Project Implementation Manual
PPC Act	Public Procurement and Concession Act
RAP	Resettlement Action Plan
RL	Republic of Liberia
RREA	Rural Renewable Energy Agency
ToR	Term of Reference
US\$	United States Dollar
WBG	World Bank Group



June 28, 2025

Hon. Samuel Nagbe  
**Executive Director**  
Rural Renewable Energy (RREA)  
Newport Street  
Monrovia, Liberia

## **FINANCIAL STATEMENTS AUDIT OF THE LIBERIA RURAL RENEWABLE ACCESS PROJECT (LIRENAP) FOR YEAR ENDED DECEMBER 31, 2024**

### **Opinion**

We have audited the financial statements of the **Liberia Rural Renewable Access Project (LIRENAP)** for the period January 1 to December 31, 2024, which comprise the statement of Receipts and Payments, and the statement of Comparison of Budget and Actual Amounts and summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of Receipts and Payments as at December 31, 2024, the statement of Comparison of Budget and Actual Amounts and summary of significant accounting policies and other explanatory information for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting.

### **Basis for Opinion**

We conducted our audit in accordance with 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 Liberia Rural Renewable Access Project LIRENAP in accordance with the ethical requirements that are relevant to our audit of the financial statements in Liberia, 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.

### **Other matters**

#### **Misuse of Project Infrastructure by Community Dwellers**

We further identified that some of the electrical poles facilitating power distribution along the Voinjama/Kolahum high way were damaged by fire. Management provided no evidence on comprehensive plan, report, jingles, announcements and other measures put in place to protect electrical assets along the Voinjama and Kolahum high. These issues are significant; our opinion is not modified by the matters.


### **Management's Responsibilities**

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

### **Auditor's Responsibilities**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) and AFDB Guidelines. Those standards and the applicable guidelines required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Monrovia, Liberia**

June 2025

### **Overview of the Financial Statements**

The Rural and Renewable Energy Agency (RREA) with project name Liberia Renewable Energy Access Project for the reporting period January 1, 2024-December 31, 2024, had the following activities in the four components:

Component 1: Decentralization Electrification in Lofa County

Component 2: Technical Assistance to Strengthen Rural Electrician Institutions Component 3 Market Development of Stand-Alone Solar Systems

Component 4: Implementation of RAP

### **Receipts**

The Rural and Renewable Energy Agency (RREA) with project name Liberia Renewable Energy Access Project for the reporting period January 1, 2024 -December 31, 2024 did not receive any **funds** the World Bank-IDA Credit.

### **Payments**

The Rural and Renewable Energy Agency (RREA) controlled from its bank accounts an amount of **US\$2,254,446.18** of which the total of **US\$ 876,431.56** was expended on the following activities: **US\$659,236,68** was paid for Consultancy services and Operations expense amounted to **US\$217,194.88**.

*AKhorace*

Prepared by Ms. Marthaline K. Horace  
Position: **Finance Director**



Approved by Mr. Samuel B. Nagbe  
Position: **Executive Director**

Date: December 31, 2024



AUDITOR GENERAL'S REPORT on the Financial Statement Audit of the Rural and Renewable Energy Agency (RREA) with project name Liberia Rural Renewable Access Project (LIRENAP) For the Year Ended December 31, 2024

Liberia Renewable Energy Access Project  
**Statements of Cash Receipts and Payment**  
 For the period ended December 31, 2024

Account	NOTES	FY 2024	FY 2023
		RECEIPT/PAYMENTS CONTROLLED BY ENTITY US\$	RECEIPT/PAYMENTS CONTROLLED BY ENTITY
<b>TITLE/DESCRIPTION</b>			
<b>RECEIPTS</b>			
World Bank-IDA Credit	1	-	3,272,655.72
LIRENAP-IDA	1		214,967.60
<b>Total Receipts</b>	-	-	<b>3,487,623.32</b>
<b>Payments</b>			
<b>Operations</b>			
Consultancy	2	659,236.68	2,653,482.99
Operations	3	216,864.88	276,072.83
Operations LIRENAP IDA	3	330.00	174,599.29
Fixed Assets	4	-	450.00
<b>Total Payments</b>		<b>876,431.56</b>	<b>3,104,605.11</b>
<b>Net</b>			
<b>Increase/Decrease</b>		<b>(876,431.56)</b>	<b>383,018.21</b>
<b>Cash at Beginning of the year January 1,2023</b>		<b>2,254,446.18</b>	<b>1,871,427.97</b>
<b>Cash at the end of year December 31, 2024</b>		<b>1,378,014.62</b>	<b>2,254,446.18</b>

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT**

FOR THE Liberian Renewable Energy Access Project  
FOR THE PERIOD ENDED December 31, 2024

Account Title/Description	Actual Amount		Final Budget		Original Budget		Difference: Final Budget and Actual	Percentage Variance (explain variance above 10%)
	US\$		US\$		US\$	US\$		
<b>Cash Inflows</b>								
Balance LIRENAP B/F	2,121,451.01		-		-	2,121,451.01	-100%	
Balance B/F IDA	132,986.05		-		-	132,986.05	- 100%	
Petty Cash B/F	9.12		-		-	9.12	-100%	
LIRENAP	-		1,744,419.51		1,744,419.51	(1,744,419.51)	0%	
IDA	-		955,971.50		955,971.50	(955,971.50)	0%	
<b>Total Receipts</b>	<b>2,254,446.18</b>		<b>2,700,391.01</b>		<b>2,700,391.01</b>	<b>(445,944.83)</b>	<b>0.165%</b>	
<b>Cash Outflows</b>								
Consultancy	659,236.68		2,453,177.33		2,453,177.33	1,793,940.75	73%	
Operations	216,864.88		216,864.88		216,864.88	-	0%	
Operations IDA	330.00		30,018.88		30,018.88	29,688.88	98%	
<b>Total Expenditure</b>	<b>876,431.56</b>		<b>2,700,391.01</b>		<b>2,700,391.01</b>	<b>(1,823,959.45)</b>	<b>0.0067%</b>	
<b>Net Cash Flows</b>	<b>1,378,014.62</b>		<b>-</b>		<b>-</b>	<b>1,378,014.62</b>		





## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information and Accounting Policies**

The Rural and Renewable Energy Agency (RREA) is an Agency of the Government established and enacted into law on July 6, 2015 for the purpose of facilitating and accelerating the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable resources. One of the RREA's principal functions include planning and financing of rural energy projects for implementation by public, private, and community developers, including educating the public about renewable energy options and opportunities. The RREA is also mandated to manage the Rural Energy Fund (REFUND), a transparent financial management system through which all domestic and international resources intended for rural energy programs shall be managed to achieve universal energy access. The principal addresses of the entity is Newport Street, Monrovia, Liberia.

#### **(a) Basis of Preparation**

These financial statements have been prepared in accordance with the requirements of the Public Financial Management Act, 2009 and comply with the International Public Sector Accounting Standard (IPSAS) Cash Basis.

#### **(b) Reporting Entity**

The financial statements are for Liberia Renewable Energy Access Project and managed by the Rural and Renewable Energy Agency.

#### **(c) Reporting Currency and Translation of Foreign Currencies**

##### **(i) Functional and Presentation Currency**

The functional currencies are the Liberian Dollar and the United States Dollar, and the reporting currency is the United States Dollar. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

##### **(ii) Translation of Transactions in Foreign Currency**

Foreign currency transactions are translated into United States Dollar using the exchange rates circulated by the Central Bank of Liberia (CBL).

#### **(d) Reporting Period**

The reporting period for these financial statements is January 1, 2024, to December 31, 2024.

#### **(d) Payment by external third parties**

During the period under review, World Bank made one direct payment on behalf of the project in the amount of **US\$955,641.50** as payments to Powerlink for Supply and Installation of 1.8MW Diesel Gensets and Storage Tanks



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<b>Date</b>	<b>Payee</b>	<b>Amount</b>
07/24/2024	Power Link	955,641.50
<b>Total</b>		<b>955,641.50</b>

**2. Consultancy**

<b>Consultancy</b>	<b>FY 2024</b>	<b>FY 2023</b>
<b>Local Consultants</b>		
Project Coordinator	-	11,550.00
Safeguard Specialist	500.00	31,317.42
Project Engineer	700.00	43,869.42
IT Officer	300.00	18,771.42
Finance Assistant	200.00	12,495.46
Social Development Officer	440.00	27,555.46
Electrical Engineer	500.00	25,721.25
Business Development Officer	440.00	27,555.46
Civil Engineer	440.00	27,430.96
Community Outreach Officer	16,953.00	16,885.46
Procurement Officer	500.00	25,610.96
Technical Assistance to Mini Grid	17,037.06	32,971.50
<b>Total</b>	<b>38,010.06</b>	<b>301,734.77</b>
<b>Foreign Consultants</b>		
Owner Engineer	132,865.32	334,028.82
Supply & installation of transmission & distribution networks including customer connections	372,077.39	967,414.26
Construction of 2.5MW Small hydro plant on Kaiha River	-	1,050,305.14
Optimization Study for Generation mix - Kaiha 2 mini-grid (IDA)	116,283.91	
<b>Total</b>	<b>621,226.62</b>	<b>2,351,748.22</b>
<b>Grand Total</b>	<b>659,236.68</b>	<b>2,653,482.99</b>

The amount of **US\$659,236.68** represents payment to consultants of the Liberia Renewable Energy Access Project (LIRENAP) as remuneration.



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### 3. Operations

<b>Operations</b>	<b>FY 2024</b>	<b>FY 2023</b>
Audit Service	10,085.00	9,650.00
Stationery & Supplies	195.00	5,052.55
Printing & Photocopying	400.00	4,261.50
In-country Travel & Road Show	61,904.00	52,908.00
Internet Subscription	-	5,700.00
Communication (Phone cards)	-	6,410.00
Training & Capacity Building	3,514.00	27,087.00
Meeting /Workshop & conference	2,700.00	1,515.00
Security	3,300.00	16,950.00
Repair & Maintenance-Building	5,009.00	39,796.75
Equipment Maintenance	360.00	235.00
Janitorial & General maintenance	-	2,972.00
Vehicle/Motorbike/Gent	721.00	21,659.39
Driver License Renewable	-	-
Vehicle Fuel	-	9,516.00
Vehicle registration	1,189.60	90.00
Servance	53,011.25	-
Electricity/LEC	-	2,400.00
Garbage Collection	-	180.00
Generator Fuel	-	2,000.00
Water	205.00	1,356.00
Advertising or Promotional	400.00	2,650.00
Bank Charges	1,613.03	24,840.64
Other Related Project Cost	72,258.00	38,843.00
<b>Total</b>	<b>216,864.88</b>	<b>276,072.83</b>

#### Operations – LIRENAP- IDA

<b>Operations</b>	<b>FY 2024</b>	<b>FY 2023</b>
Bank Charges	330.00	2,281.63
RAP Execution	-	172,317.66
<b>Total</b>	<b>330.00</b>	<b>174,599.29</b>
<b>Grand Total</b>	<b>217,194.88</b>	<b>450,672.12</b>

The above breakdown of US\$ **217,194.88** was disbursed on the project's operations.

### 4. Fixed Assets





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<b>Fixed Assets</b>	<b>FY 2024</b>	<b>FY 2023</b>
Computer monitor -smart TV	-	450.00
<b>Total</b>	<b>-</b>	<b>450.00</b>

There were no fixed assets acquired during the period of the audit.

### **Explanatory Notes to the Financial Statement**

#### **Explanatory Notes for Budget Variances**

1. During the period under review, we did not receive funds into our project designate accounts.
2. The variance in consultancy costs amounted to 1,793,940.75 (73%) of the final budget, primarily due to reduced expenditures during the period following the termination of most contractor contracts.
3. The variance in operations costs for LIRENAP IDA, amounting to US\$29,688.88 (98%) of the final budget, was primarily due to reduced spending during the period.

#### **Explanatory Notes for withholding Taxes withheld and paid.**

During the period under review, the total amount of **US\$61,003.55** were taxes withheld and paid on goods and services. **See the table below:**

#### **Taxes withheld and paid.**

<b>Payee</b>	<b>Date</b>	<b>Narrative</b>	<b>Amount</b>
General Revenue Account			
General Revenue Account	03/05/2024	Payment for tax for Jan. & Feb.2024	730.00
General Revenue Account	04/15/2024	Payment of withholding tax for the month March 2024	1,700.00
General Revenue Account	05/13/2024	Payment for tax for April 2024	14,557.47
General Revenue Account	06/12/2024	May 2024 withholding tax for Moses Saah and Johnny	215.00
General Revenue Account	07/04/2024	Payment of Withholding tax for the month June 2024	17,274.53
General Revenue Account	08/13/2024	Payment of withholding tax for the month July 2024	335.00
General Revenue Account	09/09/2024	Payment for tax for Aug.2024	820.10
General Revenue Account	10/08/2024	Payment of withholding tax for Sept 2024	6,335.00
General Revenue Account	11/08/2024	Payment for withholding tax for the month October 2024	18,701.45
General Revenue Account	12/09/2024	Withholding tax for the month Nov.2024	335.00
<b>Total</b>			<b>61,003.55</b>

