



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statements Audit of the
Recovery of Economic Activity for Liberia
Informal Sector Employment (REALISE) Project**

**REALISE Project: P174417:
Credit Number: IDA D7830, TF C1620, IDA
72660-LR, DA 68480 & COFN C2450**

For the year ended December 31, 2024

May 2025

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

Table of Contents

Opinion 3

Basis for Opinion 3

Management’s Responsibility 4

Auditor’s Responsibility 4

Recovery of Economic Activity for Liberia Informal Sector Employment Project Financial
Statements 5



ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
CGMA	Chartered Global Management Accountant
COSO	Committee of Sponsoring Organization
CPA	Certified Public Accountant
FSs	Financial Statements
GOL	Government of Liberia
IAU	Internal Audit Unit
IDA	International Development Association
IFRs	Interim Financial Reports
INTOSAI	International Organization of Supreme Audit Institutions
IPSASs	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
OFM	Office of Financial Management
PSC	Project Steering Committee
PCO	Project Coordination Office
PIM	Project Implementation Manual
QPR	Quarterly Progress Report
REALISE	Recovery of Economic Activity for Liberia Informal Sector Employment (REALISE) Project
SOE	Statement of Expenditures
ToR	Term of Reference

Republic of Liberia



AUDITOR GENERAL'S REPORT

June 25, 2025

Hon. Jeror Cole Bangalu

Minister

Ministry of Youth and Sports

Samuel Canyon Doe Sports Complex

Monrovia, Liberia

**RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE
RECOVERY OF ECONOMIC ACTIVITY FOR LIBERIA INFORMAL SECTOR EMPLOYMENT
(REALISE) PROJECT.**

Opinion

We have audited the accompanying financial statements of the Recovery of Economic Activity for Liberia Informal Sector Employment (REALISE) Project for the year ended December 31, 2024 financed through REALISE Project: P174417; Credit Number: IDA D7830 & DA 68480 which comprise the statements of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a Summary of significant Accounting Policies and other explanatory information.

In our opinion, the accompanying financial statements (REALISE Project: P174417; Credit Number: IDA D7830 & DA 68480) present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2024, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes for the period ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions. 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 entity 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 World Bank guideline 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 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 REALISE Project Management is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

Our objectives 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

**Recovery of Economic Activity for Liberia Informal Sector Employment Project Financial
Statements**

Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for Recovery of Economic Activity for Liberia Informal Sector Employment Project 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 (v) making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for Recovery of Economic Activity for Liberia Informal Sector Employment 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 Recovery of Economic Activity for Liberia Informal Sector Employment 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 Recovery of Economic Activity for Liberia Informal Sector Employment 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 Recovery of Economic Activity for Liberia Informal Sector Employment 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 Recovery of Economic Activity for Liberia Informal Sector Employment Project on

February 7, 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
Receipt				
IDA Grant	4	<u>6,724,203</u>	<u>8,948,306</u>	<u>15,672,509</u>
Total Receipt		<u>6,724,203</u>	<u>8,948,306</u>	<u>15,672,509</u>
Payment				
Grant Support to Vulnerable Households to Revive or Start Small Business	5	3,292,628	2,135,530	5,352,008
Temporary Employment Support and Employability Development For Vulnerable Workers	6	1,225,674	81,880	1,307,554
Capacity Building and Project Implementation and Coordination	7	1,568,462.15	606,726	2,175,188
Contingent Emergency Response Component	8	-	-	-
Community Livelihood And Agriculture Support	9	426,711	-	426,711
Social Cash Transfer and Strengthening of the National Social Protection System	10	595,445	-	595,445
Total Payments		<u>7,108,921</u>	<u>2,824,136</u>	<u>9,856,907</u>
Excess of receipts over payments (payments over receipts)		<u>(384,718)</u>	<u>6,124,170</u>	<u>5,815,602</u>
Fund Balance as at beginning		<u>6,200,320</u>	<u>76,150</u>	<u>-</u>
Cummulative fund balance		<u>5,815,602</u>	<u>6,200,320</u>	<u>5,815,602</u>

The notes on pages 6 to 8 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>		Notes	December 31, 2024	December 31, 2023
A	Fund Balance			
	Balance of Project Fund		6,200,320	76,150
	Add: Total Receipts during the period		<u>6,724,203</u>	<u>8,948,306</u>
	Total Fund available for operations		12,924,523	9,024,456
	Less: Total Payments during the period		<u>7,108,921</u>	<u>2,824,136</u>
	Balance of project fund at the end of the year		5,815,602	6,200,319
B	Cash Status:			
	Cash at Bank		<u>5,815,602</u>	<u>6,200,320</u>
	Total Cash on hand and in bank		5,815,602	6,200,320
	Difference between A and B		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 6 to 8 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

Analysis of Variance


Activities Within Components	Project Allocation	Budget	Actual Expenditure	Variance
	US\$	US\$	US\$	US\$
Grant Support to Vulnerable Households to Revive or Star Small Business	4,600,000	3,542,027	3,292,628	249,399
Temporary Employment Support and Employability Development For Vulnerable Workers	6,000,000	3,309,708	1,225,674	2,084,034
Capacity Building and Project Implementation and Coordination	5,196,361	3,844,215	1,568,462	2,275,753
Community Livelihood And Agriculture Support	12,273,948	1,423,087	426,711	996,375
Social Cash Transfer and Strengthening of the National Social Protection System	16,500,000	9,221,964	595,445	8,626,519
Contingent Emergency Response Component	-	-	-	-
Total	44,570,309	21,341,000	7,108,921	14,232,080

The notes on pages 6 to 8 are integral part of these project financial reports

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

5

<i>In United States Dollars</i>	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalent		5,815,602	6,200,320
Total Assets		5,815,602	6,200,320
Fund Balance			
Grants		5,815,602	6,200,320
Accumulated Fund Balance		5,815,602	6,200,320


Papin Daniels, Jr.
Director, Donor Financed Projects
PFMU, MFD

Date: February 7, 2025


Jesse H. Bengu
Project Coordinator-REALISE
MYS

Date: 07/02/2025

The notes on pages 6 to 8 are integral part of these project financial reports

1. Background and Information of the Project

With support from the International Development Association; the Recovery of Economic Activity for Liberian Informal Sector Employment Project (REALISEP)- is to increase access to income earning opportunities for targeted informal sector enterprises and workers in response to the COVID-19 crisis in Liberia. The World Bank approved the LLAP project on February 12, 2021 with a Credit & Grant amount of USD 44,570,309.00. The Project consists of the following parts:

Component 1: Support to Vulnerable Informal Sector Enterprises

This component will provide support to vulnerable micro- and small enterprises in the informal sector. Specifically, it will provide: i) business maintenance and recovery/development grants and training to existing informal micro- and small enterprises; and ii) technical support and grants to start new viable micro- and small enterprises in the informal sector in urban areas.

Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers

This component will provide temporary employment and employability development for vulnerable workers struggling to find gainful employment and opportunities in the aftermath of COVID-19 crisis. It will build on a long history of cash-for-work programs in Liberia, which has been utilized by the Government to address employment challenges following the civil war as well as economic crises such as the food, fuel, and financial crisis.

Component 3: Program Implementation, Capacity Building and Coordination

This component will support: (i) Government and other actors capacity strengthening for the coordination, design, and implementation; (ii) the administrative, technical, and financial management of the project by Project Implementation Unit (PIU) under the oversight of Project Steering Committee; (iii) the coordination among all institutional partners to ensure the efficient flow of information among all actors and coordination with the private sector; (iv) the establishment of monitoring and evaluation mechanism of the project's results and impact; (v) the development of communication activities to publicize and disseminate project results, best practices, and success stories; (vi) impact evaluations.

Component 4: Contingency Emergency Response Component (CERC)

This component would be a Contingent Emergency Response Component (CERC). This is a provisional zero amount component to allow for rapid reallocation of loan proceeds from other project components during an emergency.

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:

Amount of	grant allocated	% of
Category	expressed in	expenditure
	US\$	to be financed
Grant Support to Vulnerable Households to Revive or Start Small Business	4,600,000	100
Temp. Employ Supp. & Employability Dev. For Vulnerable Workers	6,000,000	100
Capacity Building and Project Implementation and Coordination	5,196,361	100
Community Livelihood and Agriculture Support	12,273,948	100
Social Cash Transfer and Strengthening of the National Social Protection System	16,500,000	100
Contingent Emergency Response Component	0	100
Total	44,570,309	
	=====	

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

	% of Expenditure
IDA grant	100
Total	100
	=====

3. Significant Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with the Cash Basis for International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Grant Agreement as required by the World Bank's Operating 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 REALISE project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called designated income account for disbursement purposes. All payments for the REALISE project and activities are made from the designated account.

Cash and bank balances

Cash consist of cash in hand and balance at bank.

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 World Bank.

Tax

The project is 100 percent inclusive of tax. Taxes are withheld on consultants and vendors.

*In United States Dollars***4 Funds Received in DA**

	December 31, 2024	December 31, 2023	Cummulative
IDA 6848-LR	614,779	1,619,561	3,347,280
Grant D 7830 LR	614,779	1,619,561	3,347,280
IDA 72660-LR	2,838,533	3,007,808	5,846,342
TF C1620	743,722	-	743,722
AFD	-	2,701,375	2,701,375
Lonestar Mobile Money A/c	1,912,390		
	6,724,203	8,948,306	15,985,998

Third Party Payment

IDA 6848-LR	-	-	-
Grant D 7830 LR	-	-	-
IDA 72660-LR	100,576	-	100,576
TF C1620	-	-	-
AFD	-	-	-
	100,576	-	100,576

Grant Support to Vulnerable Households to Revive or Star**5 Small Business****Grant Support to Vulnerable Households to Revive or Star Small Business**

Consultant Services	35,020	61,862	162,204
Grants	3,257,608	2,068,330	5,143,541
Operating Costs	-	5,338	46,263
	3,292,628	2,135,530	5,352,008
	3,292,628	2,135,530	5,352,008

Temporary Employment Support and Employability**6 Development For Vulnerable Workers****Temporary Employment Support and Employability Development For Vulnerable Workers**

Consultant Services	-	50,722	71,552
Grants	1,218,047	-	1,185,802
Operating Costs	7,627	31,158	50,200
	1,225,674	81,880	1,307,554
	1,225,674	81,880	1,307,554

Capacity Building and Project Implementation and**7 Coordination****Capacity Building and Project Implementation and Coordination for MYS**

Consultant Services	232,997	186,465	497,427
Operating Costs	143,046	157,769	291,301
	376,043	344,233	788,727

Capacity Building and Project Implementation and Coordination for LACE

Consultant Services	256,909	130,782	412,306
Goods	42,773	-	42,773
Operating Costs	565,889	(49,761)	423,061
	865,570	81,021	878,139

Capacity Building and Project Implementation and Coordination for MGCSP

Consultant Services	179,537	91,391	270,928
Operating Costs	147,312	90,081	237,393
	326,849	181,472	508,321

	1,568,462	606,726	2,175,188
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8 Contingent Emergency Response Component

	-	-	-
	-	-	-

9 Community Livelihood And Agriculture Support

Consultant Services	91,717	-	91,717
Operating Costs	334,994	-	334,994
	426,711	-	426,711

10 Social Cash Transfer and Strengthening of the National Social Protection System

Consultant Services	268,356	-	268,356
Grants	226,568	-	226,568
Operating Costs	100,521	-	100,521
	595,445	-	595,445

11 Cash receipts through the Designated Account

IDA grant & credit	6,724,203	8,948,306	15,985,998
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12 Cash paid

Grant Support to Vulnerable Households to Revive or Start Small Business	3,292,628	2,135,530	5,352,008
Temporary Employment Support and Employability Development For Vulnerable Workers	1,225,674	81,880	1,307,554
Capacity Building and Project Implementation and Coordination	1,568,462	606,726	2,175,188
Contingent Emergency Response Component	-	-	-
Community Livelihood And Agriculture Support	426,711	-	426,711
Social Cash Transfer and Strengthening of the National Social Protection System	595,445	-	595,445
Total Payments	7,108,921	2,824,136	9,856,907

Note:

The third-party payments of **US\$100,576.00** 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 World Bank and thus required disclosures. These payments are available for review upon request by the auditors.

- 13** The fund balance of as at 31 December 2024 consists of cash balance of US\$1,912,390.35 paid to the Lonestar MTN Mobile Money platform that is intended for beneficiary payment.

PROJECT DESIGNATED ACCOUNT STATEMENT

10

Account Number: 0324037/002/0001/000,0324037/002/0001/00
0324037/002/0001/002
Account Type: Current Account
Depository Bank (s): GT Bank Liberia, Limited
Address: 13th Street Sinkor
Monrovia, Liberia

Currency: United States Dollar

	December 31, 2024	December 31, 2023
Total Grant Received	6,724,203	8,948,306
Total grant income reported	6,724,203	8,948,306
Amount spent	7,108,921	2,824,136
Balance as at beginning	6,200,320	76,150
Balance as at December 31, 2024	5,815,602	6,200,319
Closing Balance Consist of:		
Petty Cash - MYS	153	1,000
Petty Cash - LACE	150	1,000
Petty Cash-MGSCP	-	500
Designated A/c	138,019	2,266,806
LACE- Operational A/c	1,007,728	31,125
MYS- Operational A/c	422,187	335,545
Gender- Operational A/c	1,365,379	889,982
AFD A/c	245,081	2,674,361
TF Account	724,515	-
Lonestar Mobile Money A/c	1,912,390	-
	5,815,602	6,200,320