



## Management Letter

### On the Audit of the Financial Statements Audit of the Liberia Electricity Sector Strengthening Access Project (LESSAP)

*For year ended December 31, 2024*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
May 2025

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### **Acronyms/Abbreviations/Symbols**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
AG	Auditor General
CEO	Chief Executive Officer
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GoL	Government of Liberia
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
LEC	Liberia Electricity Corporation
LESSAP	Liberia Energy Sector Strengthening Access Project
M&E	Monitoring and Evaluation
PAD	Project Appraisal Document
PAP	Project Affected Persons
PFM Act	Public Finance Management Act
Pmt.	Payment
RAP	Resettlement Action Plan
ToR	Terms of Reference
Stmt.	Statement



June 25, 2025

Hon. Mohammed Sherif  
**Chief Executive Officer (CEO)**  
Liberia Electricity Corporation (LEC)  
Waterside, Monrovia, Liberia

Dear Mr. Sherif:

**RE: Management Letter on the Financial Statements Audit of the Liberia Electricity Sector Strengthening Access Project (LESSAP) for the year Ended December 31, 2024**

The Financial Statements of the Liberia Electricity Sector Strengthening Access Project (LESSAP) for the fiscal year ended December 31, 2024 are subject to audit by the Auditor General (AG) consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014, and the Audit Engagement Terms of Reference (ToR).

**INTRODUCTION**

The audit of the Liberia Electricity Sector Strengthening Access Project (LESSAP) for the year ended December 31, 2024 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the course of the audit.

The financial statements are prepared in line with the requirements of the International Public Sector Accounting Standards (IPSAS), Cash Basis Accounting.

**SCOPE AND DETERMINATION OF RESPONSIBILITY**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) as promulgated by International Organization of Supreme Audit Institutions (INTOSAI), the International Public Sector Accounting Standards (IPSAS) Cash basis and the World Bank reporting requirements. These standards require that we plan and perform the audit so as to obtain reasonable assurance whether the Liberia Electricity Sector Strengthening Access Project (LESSAP) financial statements and related records are free of material misstatements due to errors or fraud and whether they comply with ethical requirements.

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the Financial Statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statements' presentation.

The audit will also contain an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Management of LESSAP. Our responsibility is to express an opinion on these financial statements.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

**PROJECT MANAGEMENT TEAM**

<b>Name</b>	<b>Position</b>	<b>Period</b>
Monie R. Captan	Chief Executive Officer	2021 -2024 November
Thomas Zailee Gonkerwon	Acting Chief Executive Officer	November – December 2024
Julius Kweme Mensah	Chief Operating Officer	2022 -2024 October
Moses Farley	Executive Director-Projects	2023 – present
Adam Sheriff	Chief Finance Officer	2019 to present
Sorie Danie Kamara	Financial Management Specialist	2023-present
Paschalina Mashingaidze	Procurement Specialist	2023-present
Henry V. Kimber	Project Manager	2023-Present
Wilbert Bryant	Finance Officer	2023-Present

**APPRECIATION**

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Liberia Electricity Sector Strengthening Access Project (LESSAP).

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



**Monrovia, Liberia**

June 2025

## 1. DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Governance

#### 1.1.1 Lack of Senior Management Meeting Minutes

##### Criteria

- 1.1.1.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states: "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

##### Observation

- 1.1.1.2 During the audit, we observed no evidence of Project Senior Management meeting minutes to facilitate oversight and review of Management functions.

##### Risk

- 1.1.1.3 Monitoring and evaluation of the mandate and strategic and operational objectives of the project may be impaired. This may impair the timely achievement of approved project deliverables.

##### Recommendation

- 1.1.1.4 Management should facilitate the conduct of periodic Senior Management meetings. Senior Management meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings minutes should be subsequently documented and filed to facilitate future review.
- 1.1.1.5 Management should also institute a platform for following-up on decisions made at Senior Management meetings. An update of progress towards previous meetings agreed actions/deliverables should be discussed during current meetings, as a medium for tracking progress on project workplan, timeline and deliverables and planning for future activities.

##### Management's Response

- 1.1.1.6 *Management acknowledges the findings and wishes to state that Project meetings were duly held, and minutes of these meetings are available for review. These records can be made accessible to the auditors for verification purposes.*

##### Auditor General's Position

- 1.1.1.7 Management's assertions were not supported by adequate documentation. Management did not submit evidence of periodic meeting minutes of the Project Management Committee.

1.1.1.8 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.1.2 No Monitoring & Evaluation Reports**

### **Criteria**

1.1.2.1 Regulation A.15 (1) of the PFM Act of 2009 as amended and restated 2019 states: "The head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless, and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal controls to mitigate these risks".

### **Observation**

1.1.2.2 During the audit, we observed no evidence of a functional Monitoring and Evaluation Committee (M&E) to provide the required oversight for the full implementation of planned project activities within approved timelines, evidenced by the absence of approved annual monitoring & evaluation plans and periodic activities reports for contracts granted.

### **Risk**

1.1.2.3 In the absence of effective monitoring and evaluation, project deliverables may not be achieved within approved timelines and up to approved specifications.

1.1.2.4 Value for money may not be achieved and project resources may be subjected to misapplication and misappropriation.

### **Recommendation**

1.1.2.5 Management should facilitate the establishment of a functional Monitoring and Evaluation Committee (M&E), evidence by the documentation of planned annual activities and periodic activities reports. Evidence of approved annual plans and periodic activities reports should be adequately documented and filed to facilitate future review.

### **Management's Response**

1.1.2.6 *There is an established and functional monitoring and evaluation committee which have evidence of planned activities and reports. These are available for review by the Auditors.*

### **Auditor General's Position**

1.1.2.7 Management's assertions were not supported by adequate documentation. Management did not submit evidence of periodic monitoring and evaluation reports.

1.1.2.8 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.2 Financial Reporting

### 1.2.1 General Ledgers not Reconciled to Financial Statements

#### Criteria

1.2.1.1 Section 36(1) of the Amended and restated Public Financial Management (PFM) Act of 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

#### Observation

1.2.1.2 During the audit, we observed that the general ledger did not reconcile to the financial statements, as a result of duplication of bank charges in the general ledger. **See table 1 below for details.**

**Table 1: General Ledgers not Reconciled to Financial Statements**

Date	Details of Transaction	Amount per General Ledger	Amount per Financial Statements	Variance
9/18/2024	To record bank charge on IDA incoming funds for RREA	11,007.93	11,007.93	0.00
9/18/2024	To record bank charge on IDA incoming funds for RREA	11,007.93	0.00	11,007.93
<b>Total Variance</b>				<b>11,007.93</b>

1.2.1.3 Additionally, we observed a variance in the amount of US\$150.00 as result of erroneous posting to the general ledger. **See table 1a below for details.**

**Table 1a: Variance due to Erroneous Posting**

Date	Details of Transaction	Inaccurate Amount	Accurate Amount	Variance
5/28/2024	To record bank charges on IDA incoming funds	2,687.57	2,537.57	150.00

1.2.1.4 Additionally, we observed that the Financial Management Specialist did not have access to the general ledger in micro-soft dynamics domiciled at the head office of the entity. As a result, the financial statements were prepared in excel utilizing the cashbook prepared also in excel by the Financial Management Specialist.

#### Risk

1.2.1.5 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated.

1.2.1.6 A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statements.

1.2.1.7 Management may not account for all its transactions.

### **Recommendation**

1.2.1.8 Management should adjust the financial statements by the variances observed between the general ledger and the financial statements and the erroneous transaction comprehensively catalogued in tables 1 and 2 above respectively.

1.2.1.9 Going forward, Management should ensure that the Financial Management Specialist is provided immediate access to the general ledger in micro-soft dynamics domiciled at the head office of the entity to facilitate comprehensive preparation of the financial statements. Management should also perform periodic reconciliation among the general ledger, trial balance and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

1.2.1.10 Subsequently, an automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. An automated linkage should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

### **Management's Response**

1.2.1.11 *Management acknowledges the misstatement; however, we wish to clarify that the affected transactions were not duplicated in the Financial Statements. A complementary Excel-based cashbook was utilized during the preparation of the Financial Statements, which ensured the transactions were accurately captured without duplication.*

1.2.1.12 *That said, the necessary corrections will be made in the general ledger. To further strengthen controls, the Financial Specialist will be granted immediate access to the Microsoft Dynamics platform.*

1.2.1.13 *Additionally, LEC is in the final stages of concluding a contract for the ERP system split. This will provide the Project with a dedicated accounting and reporting platform equipped with automated controls for transactions and the general ledger, as well as the capacity to generate trial balances and financial statements.*

### **Auditor General's Position**

1.2.1.14 Management's assertions were not supported by documentary evidence. Management did not adjust the general ledger to correct erroneous transactions comprehensively catalogued in tables 1 and 2 above respectively.

1.2.1.15 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.2.2 Irregularities Associated with Third-Party / Direct Payments**

### **Criteria**

1.2.2.1 Paragraph 2.1.77 of the IPSAS Cash Basis Accounting states "When during the reporting period a reporting entity has been formally advised that payments have been made to directly settle its obligations or purchase goods and services for its benefits by third parties, or the entity has otherwise verified that such payment has been made, the entity is encouraged to disclosed in notes to the financial statements:

- a) Total payment by such third parties; and
- b) A sub-classification of the total amount of such payments using a classification basis appropriate to the entity's operations".

### **Observation**

1.2.2.2 During the audit, we observed that total third-party payments disclosed in the notes to the financial statements amounted to US\$12,266,877.00. However, the beneficiaries of the individual third-party payments paid directly by the World Bank and their respective amounts were not disclosed in the notes to the financial statements as required.

### **Risk**

1.2.2.3 Fair presentation, full disclosure and understandability of the financial statements may be impaired.

1.2.2.4 Failure to disclose the details of third-party transactions in the notes to the financial statements may impair effective review and reconciliation of the financial statements. This may deny the intended users of the financial statements the information needed to make informed decisions.

### **Recommendation**

1.2.2.5 Management should adjust the financial statements to include in the notes to the financial statements, the details of individual contractors and their respective amounts of third-party expenditures paid directly by the Bank catalogued in our findings above to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.

1.2.2.6 Going forward, Management should facilitate full and adequate disclosures in the notes to the financial statements consistent with Paragraph 2.1.77 of the 2017 revised IPSAS Cash Basis. The details individual contractors and their respective amounts of third-party expenditures paid directly by the Bank should be comprehensively disclosed in the notes to the financial statements to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements.

### **Management's Response**

- 1.2.2.7 *These third-party payments have been disclosed in the financial statement as notes and have been submitted to the Auditors.*

### **Auditor General's Position**

- 1.2.2.8 We acknowledge Management's acceptance of our finding and recommendations and the subsequent adjustment of the financial statements.

## **1.2.3 Incomparable Classification of Expenditures Reported in the Financial Statements**

### **Criteria**

- 1.2.3.1 Paragraph 1.7.19 of the IPSAS Cash Basis Accounting states "When the budget and the financial statements are not prepared on a comparable basis, a separate statement of comparison of budget and actual amounts is presented. In these cases, to ensure that readers do not misinterpret financial information which is prepared on different bases, the financial statement could usefully clarify that the budget and the accounting bases differ and the statement of comparison of budget and actual amounts is prepared on the budget basis".

### **Observation**

- 1.2.3.2 During the audit, we observed that amounts reported in the Statement of Cash Receipts and Payments were presented using the economic classification while the amounts reported in the statement of comparison of Budget and Actual Amounts were presented using programmatic classification. Additionally, Management did not disclose in the notes to the financial statements a statement reconciling the economic classification to the programmatic classification as required.

### **Risk**

- 1.2.3.3 Fair presentation, full disclosure and understandability of the financial statements may be impaired.
- 1.2.3.4 Failure to disclose in the notes to the financial statements a reconciliation between economic and programmatic classifications utilized in the disclosure of financial transactions may impair effective review and reconciliation of the financial transactions and statements. This may deny the intended users of the financial statements the information needed to make informed decisions.

### **Recommendation**

- 1.2.3.5 Management should adjust the financial statements to include in the notes to the financial statements, a statement reconciling the economic classification to the programmatic classification as required to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's

response to this Management Letter.

- 1.2.3.6 Going forward, Management should facilitate full and adequate disclosures in the notes to the financial statements consistent with Paragraph 1.3.27 of the 2017 revised IPSAS Cash Basis. Management should utilize the same classification of expenditures (economic or programmatic) for amounts reported in the Statement of Cash Receipts and Payment and the Statement of Comparison of Budget and Actual Amounts. Alternatively, where different classifications are utilized in the presentation of amounts reported in the Statement of Cash Receipts and Payment and the Statement of Comparison of Budget and Actual Amounts, Management should prepare a statement reconciling the economic classification to the programmatic classification as required to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements.

#### **Management's Response**

- 1.2.3.7 *The Financial Statement has been prepared in line with the World Bank reporting format as per the meeting held with the Bank in which Projects were invited and the GAC in attendance which followed the IPSAS reporting format.*

#### **Auditor General's Position**

- 1.2.3.8 Management's assertions did not adequately address the issues raised. Management did not adjust the financial statements to include in the notes to the financial statements, a statement reconciling the economic classification to the programmatic classification as required to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements.
- 1.2.3.9 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.4 Irregularities Associated with the Accounting and Reporting of RAP Payments**

#### **Criteria**

- 1.2.4.1 Paragraph 117 of the Project Appraisal Document (PAD) states "Environmental and social risk is rated Substantial based on the consideration that most of the project sites are not known even though the project will likely not create significant environmental and social impacts. However, support to the implementing agencies is still needed to ensure the project complies with the new safeguard policy framework."

#### **Observation**

- 1.2.4.2 During the audit, we observed that the LEC Management reportedly paid a total of US\$47,683.61 directly to the PAPs on behalf of the project without evidence that payments were received by the targeted beneficiaries.
- 1.2.4.3 Additionally, we observed that RAP payments amounting to US\$47,683.61 purportedly made to project affected persons (PAP) were not disclosed in the notes to the financial statements

as third-party transactions.

### **Risk**

- 1.2.4.4 The completeness and accuracy of third-party payments may not be assured. Therefore, the financial statements may be misstated. Management may not account for all of its transactions.
- 1.2.4.5 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.2.4.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

### **Recommendation**

- 1.2.4.7 Management should fully account for RAP payments made without adequate supporting documents. Subsequently, Management should adjust the financial statements and disclose in the notes to the financial statements RAP payments made by LEC to PAPs (where applicable). The supporting documents validating the legitimacy of the RAP payments and the adjusted financial statements (where applicable) should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.4.8 Going forward, all RAP payments should be supported by listing of the beneficiaries with evidence of receipts of payments by the beneficiaries. Evidences of receipts of payments should include signing sheets, identification cards used for receipt of funds, copies of checks issued to beneficiaries, payment voucher/debit instructions and other relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.2.4.9 All payments made by third-party should be appropriately disclosed in the notes to the financial statements, including the details of the nature of payments, the beneficiary/payee and their respective amounts.
- 1.2.4.10 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.2.4.11 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

### **Management's Response**

1.2.4.12 Management acknowledges the finding and wishes to clarify that the RAP payments have been appropriately disclosed in the notes to the Financial Statements. Supporting documentation for these payments has been adequately compiled and is securely filed at LEC.

1.2.4.13 Furthermore, the upcoming split of the accounting system will include functionality to ensure that all relevant supporting documents are scanned, attached to the respective transactions, and electronically archived. This enhancement will strengthen documentation practices and facilitate efficient future reviews and audits.

### Auditor General's Position

1.2.4.14 Management's assertions did not adequately address the issues raised. Management did not account for RAP payments made without adequate supporting documents as requested. Management should therefore submit to the Office of the Auditor General evidence of supporting documentation for RAP payments within 30 days upon the issuance of the Auditor General's report to the National Legislature.

1.2.4.15 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.3 Procurement Management

### 1.3.1 Third-Party Payments made to Employee/Individual

#### Criteria

1.3.1.1 Regulation B.28 of the PFM Act of 2009 as Amended and Restated 2019 states: "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment".

#### Observation

1.3.1.2 During the audit, we observed that Management made payments for permits and visas in the name of project staff /individual rather than making direct payments to GOL General revenue account. **See table 2 below for details.**

**Table 2: Third-party Payments Made to Employee / Individual**

Date	Payee	Voucher Number	Description	Intended Beneficiary	Amount US\$	Check Number per bank stmt
05-Jan-24	Darnuwele Kollie	W. 0508	Pmt for FMS work permit	Government of Liberia / General Revenue Account	200.00	0000264
23-Feb-24	Darnuwele	W. 0552	Pmt to process	Government		0000277

Date	Payee	Voucher Number	Description	Intended Beneficiary	Amount US\$	Check Number per bank stmt
	Kollie		Resident permit & re-entry VISA for Paschalina and her daughter as per her contract	of Liberia / General Revenue Account	300.00	
13-Dec-24	Darnuwele W. Kollie	0732	Pmt to renew work permit for Paschalina (PS)	Government of Liberia / General Revenue Account	200.00	0000483
<b>Total</b>					<b>700.00</b>	

### Risk

- 1.3.1.3 Paying cash to employee for subsequent disbursement to vendors may facilitate misappropriation of funds.
- 1.3.1.4 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

### Recommendation

- 1.3.1.5 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.
- 1.3.1.6 All payments for visas and permits should be written directly to GOL General Revenue Account as required.
- 1.3.1.7 All payments for goods and services procured by the entity should be made directly to the vendor or its legally authorized representative.
- 1.3.1.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

### Management's Response

- 1.3.1.9 *Management acknowledges the finding and wishes to clarify that the renewal process for consultants' work permit visas often experiences delays when payments are made directly to the vendor's bank account. This is because vendors typically wait until the funds are reflected in their bank statements before proceeding with the issuance.*

### Auditor General's Response

- 1.3.1.10 Management's assertions did not adequately address the issues raised. Management should facilitate early preparation of payments (checks /transfers) to vendors to ensure that payments for goods / services are delivered in a timely manner.

1.3.1.11 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.3.2 Spending Above Approved Annual Budget

#### Criteria

1.3.2.1 Regulation E.6. of the PFM Act of 2009 as amended and restated 2019 states " (1) A head of government agency shall exercise budgetary control over the activities of the government agency in accordance with these regulations and the procedures for budgetary control shall be stated in Accounting Regulations supplemented by the accounting instructions for that government Agency. (2) An expenditure shall not be incurred, a commitment or a charge shall not be made against an appropriation except at the request of the appropriate head of a Ministry, a Government agency or a spending unit for which the appropriation was made or his/her authorized deputy".

#### Observation

1.3.2.2 During the audit, we observed that Management spent above its annual approved budget, a total amount of US\$811,004.32 for some project component line items. **See table 3 below.**

**Table 3- Spending Above Approved Annual Budget**

Project Component	Affected Line Item	Approved Budget US\$ A	Disbursed Amount US\$ B	Variance US\$ C=(A-B)	Budget Variance Percentage
<b>Component 2:</b> Electrification of Health and Households in Off-Grid Rural Areas	2B-2:SHS for households	929,750.74	1,382,686.04	(452,935.30)	-48.7%
	2B-5:Institutional and staff capacity building	75,000.00	182,134.85	(107,134.85)	-142.8%
	2B-7:Project management part 2(b)	84,466.87	223,426.26	(138,959.39)	-164.5%
<b>Component 3:</b> Technical Assistance for Institutional Reform, Capacity Building of Sector Institution and Implementation Support to LEC.	3B20:Project operations including capacity building	144,000.00	165,033.71	(21,033.71)	-14.6%
	3B21:Support to sector policy and regulations- MME office renovation	31,686.85	110,631.66	(78,944.41)	-249.1%
	3B16:Consultancy international financial management specialist-Sorie	191,352.92	203,349.58	(11,996.66)	-5.8%

Project Component	Affected Line Item	Approved Budget US\$ A	Disbursed Amount US\$ B	Variance US\$ C=(A-B)	Budget Variance Percentage
	Kamara				
<b>Total</b>				<b>(811,004.32)</b>	

### Risk

- 1.3.2.3 Management may be non-compliant with Regulation E.6 of the PFM Act of 2009 as amended and restated 2019.
- 1.3.2.4 Facilitating unauthorized excess expenditure on one component expenditure may lead to under disbursement of another component expenditure, thereby impairing the achievement of some project deliverables.
- 1.3.2.5 Unauthorized excess disbursement over approved budgetary allotment may lead to misappropriation and misapplication of public funds. This may impair the achievement of the project objectives.

### Recommendation

- 1.3.2.6 Management should account for the expenditure in excess of the approved budget limits without evidence of supplementary and /or recast budget /no objection for the period, as part of Management's response to this Management Letter.
- 1.3.2.7 Going forward, Management should ensure that expenditures are within the approved budget limits at all times and where applicable, supplementary and /or approval for recast budget/no objection is acquired. Copies of the necessary documentation should be maintained for administrative and audit purposes.
- 1.3.2.8 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.3.2.9 Periodic budget performance reports should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.3.2.10 *Management notes the findings and wishes to state that going forward, any revision of the budget will be submitted to the Bank for approval prior to incurring additional expenditures. However, the over-disbursement observed during the period under review can be attributed to the following factors:*
- *Delayed Disbursements from Previous Year - The high level of disbursement was primarily due to delays in awarding the full grants portfolio in the previous year. Additionally, a lower-than-expected number of systems installed or distributed in the prior year were paid for during the current reporting period.*

- *Unplanned or Urgent Activities - Abrupt foreign travel, Revisions to operational manuals, Procurement of essential office equipment for institutional needs*
- *Operational Cost Increases - More frequent field missions and related travel, Vehicle repairs and increased fuel consumption, Building maintenance and repairs*
- *Bank-Approved Capacity Building - Staff capacity-building initiatives, although not initially included in the approved budget, were later authorized by the Bank and implemented during this period.*
- *Unbudgeted Commitment for Office Furniture - A commitment for office furniture for the Ministry of Mines and Energy (MME), omitted from the 2024 budget, was already under procurement and subsequently paid for in 2024.*
- *Advance Payment of Housing Allowance - The housing allowance for January–June 2025 was paid in advance, as stipulated in the consultant's contract, contributing to the disbursement figures for the current year.*

#### **Auditor General's Position**

- 1.3.2.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.2.12 Management is therefore in breach of financial discipline in line with Regulation A.20 of the PFM Act of 2009 as amended and restated 2019.

### **1.4 Payable Management**

#### **1.4.1 Non-disclosure of Liability**

##### **Criteria**

- 1.4.1.1 Paragraph 1.3.10 of the IPSAS Cash Basis Accounting states "Entities that report using the cash basis of accounting frequently collect information on items that are not recognized under cash basis accounting. Examples of the type of information that may be collected include details of:
- a) Receivables, payables, borrowings and other liabilities, non -cash assets and accruing revenue and expenses;
  - b) commitments and contingent liabilities;
  - c) performance indicators and the achievement of service delivery objectives".
- 1.4.1.2 Additionally, Paragraph 1.3.11 of the IPSAS Cash Basis Accounting states "Entities preparing general purpose financial statements in accordance with this standard may disclose such information in the notes to the financial statements where that information is likely to be useful to users. Where such disclosures are made they should be clearly described and readily understandable. If not disclosed in the financial statements themselves, comparison

with budgets may also be included in the notes. Part 2 of this standard encourages inclusion of information about non-cash assets and liabilities and a comparison with budget in general purpose financial statements”.

1.4.1.3 Regulation O.24. of the PFM Act of 2009 as amended and restated 2019 states “(1) A Head of Government Agency shall ensure that his accounts are properly maintained and are correct at all times. (2) A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or copies of receipts or original documents to verify the correctness of the transactions”.

**Table 4: Excerpts of Detailed 2024 Budget**

Component	Activity	Responsible Party	Allotted Amount	Actual Commitments	Cumulative - Dec 2023	Annual Budget 2024
1A4	Supply of Prepayment meters to Regular Unmetered/Illegally Connected Households and Businesses	Holley Technology Ltd	6,500,000.00	5,094,512.10	5,028,359.50	66,152.60

**Observation**

1.4.1.4 During the audit, we observed the following irregularities associated with payable / commitment management:

- There was no evidence of account payable/commitment management policy.
- Account payable/commitment were not recorded in a comprehensive, accurate and timely manner.
- There was no evidence of account payable/commitment aging analysis.
- There was no evidence of periodic review of significantly overdue payable/commitment.
- A payable of US\$ 66,152.60 due LEC for a pre-financed clearing cost for the supply and delivery of Single-Phase and Three-Phase Meters supplied by the contractor, Holley Technology Ltd., was not disclosed in the notes to the financial statements.

**Risk**

1.4.1.5 Payables may be incurred, paid and written-off on a discretionary basis. This may lead to the over payment or misstatement of payables.

1.4.1.6 The completeness and accuracy of payables may not be assured; therefore, the financial statements may be misstated.



1.4.1.7 In the absence of a payables ageing schedule, payables may not be reliably monitored, evaluated and disbursed in a timely manner.

1.4.1.8 Fair presentation and full disclosures may be impaired if payables are not disclosed in the notes to the financial statements.

#### **Recommendation**

1.4.1.9 Going forward, Management should develop, approve and operationalize payables management policy to regulate the recognition, disbursement, adjustment and management of accounts payables. The policy should include a specified period for follow-up on credit payments and clearly defined actions to be undertaken for prioritizing payments. The policy should also include provision for adjustment and write-off of accounts payables consistent with required regulations.

1.4.1.10 Account payables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Payables should be disclosed in the notes to the financial statements.

1.4.1.11 Management should establish payables aging analysis to monitor the age of payables and implement specified actions to be taken based on the age of the credits consistent with the payables management policy. The schedule should contain the following: names of the payees, address of the payees, contacts of payees, date of recognition, initial invoice, payments, additional invoices, current payables balance, and age grouping.

1.4.1.12 Management should periodically analyze account payables to identify overdue payables and adjust/write-off consistent with policy. All payables write-off should be reviewed and approved by the relevant authority before execution.

1.4.1.13 Management should perform periodic reconciliation of payables balances by reconciling accounts payables ledgers to vendors' statements, payables confirmation, and the payables aging analysis. Variances identified should be investigated and adjusted where applicable in a timely manner.

#### **Management's Response**

1.4.1.14 *Management acknowledges the finding and wishes to state that the amount in question will be refunded to LEC by the end of the Project period, provided it is not utilized for other committed project-related costs. If such commitments arise and are aligned with the Project's objectives and budget provisions, the amount may be used accordingly as all are geared to overall objectives of LEC's mandate.*

#### **Auditor General's Response**

1.4.1.15 We acknowledge Management's acceptance of our findings and recommendations and subsequent adjustment of the financial statements.

## **1.5 Irregularities Associated with Fixed Asset Management**

### **Criteria**

- 1.5.1.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 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."
- 1.5.1.2 Regulation V.4 (3) of the PFM Act of 2009 amended and restated 2019 states "In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location.
- 1.5.1.3 Section 5.11 of the entity's financial manual states "Project funds shall be used to procure assets for transmission, distribution, project management and coordination. Such assets may be open to fraud, misuse, and abuse. The assets may need to be maintained in good condition. In addition, they need to be replaced where appropriate. Internal control measures to be established in order to safeguard the assets and to derive maximum benefits from them shall include the following:
- i. Acquiring fixed assets only when it is included in the annual work plan and budget;
  - ii. The acquisition shall pass through the necessary authorization, approval and procurement processes, before their acquisition;
  - iii. Keeping a Fixed Assets Register that shall include date of acquisition, make, model, specifications, identification number, value, supplier, location and user of the asset;
  - iv. Ensuring insurance of all assets against theft, fire and flood;
  - v. Taking physical inventory of assets at regular intervals;
  - vi. Reconciling financial accounting records with the Fixed Assets Register;
  - vii. Where appropriate, fixed assets shall be received and recorded by the Storekeeper before they are issued;
  - viii. Keeping log books for vehicles to record details of use and control of fuel consumption;
  - ix. Maintaining a schedule to indicate when assets shall be due for servicing, to avoid sudden breakdown;
  - x. Physically verifying the existence, condition and custody of assets on a regular basis, at least twice every year; and
  - xi. Disposing of assets in a transparent and efficient manner, with authorization and proper supervision.

### **Observation**

- 1.5.1.4 During the audit, we observed the following irregularities associated with the Fixed Assets Management System:
- The fixed assets register did not contain all the relevant columns, e.g.: Date of

Purchased, Depreciation, Accumulated Depreciation, Net Book Value Assets Condition etc.

- The fixed assets register was not regularly updated.
- There was no evidence of periodic physical verification of assets by Management
- There was no evidence of an asset movement form.
- A total of 126 assets costing US\$58,370 procured during the year were not coded as required. **See annexure 1 for details.**
- Other than motor vehicles which are statutorily required to be ensured annually, there was no evidence that other project assets were ensured against theft, fire and flood as required.
- There was no evidence of the display of assets held in a particular location.

### **Risk**

- 1.5.1.5 Fixed assets Register may be misstated (Over/understated).
- 1.5.1.6 Fixed assets may be damaged or impaired but their values are still on the books.
- 1.5.1.7 Fixed assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.5.1.8 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.
- 1.5.1.9 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 entity's objectives.
- 1.5.1.10 Fixed Assets not coded may be susceptible to theft or diverted to personal use.
- 1.5.1.11 Failure to insure assets against theft, fire and / or flood may lead to financial loss and disruption of the timely implementation of project activity.

### **Recommendation**

- 1.5.1.12 Management should update the current fixed asset management policy to include threshold for assets value to be recorded, developed and maintained.
- 1.5.1.13 Management should ensure that the fixed assets register is updated to reflect the following; description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.
- 1.5.1.14 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.

- 1.5.1.15 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.
- 1.5.1.16 The Fixed Assets Register should be updated periodically to reflect all the entity's assets.
- 1.5.1.17 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.5.1.18 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.
- 1.5.1.19 Management should ensure that all project assets are ensured against theft, fire and / or flood; naming the project as beneficiary.

#### **Management's Response**

- 1.5.1.20 *Management acknowledges the findings and wishes to note that the Auditor did not engage with the Project team to discuss the fixed assets observation and obtain clarity on the Fixed Asset Register. The register is regularly updated, and there is evidence of periodic physical verification conducted by Management.*
- 1.5.1.21 *While the Project operates under a cash-based accounting policy, Management will take steps to enhance asset management by incorporating depreciation of fixed assets and ensuring proper display and tagging of assets at their respective locations, where applicable.*

#### **Auditor General's Position**

- 1.5.1.22 Management's assertions were not supported by documentary evidence. Management did not submit evidence of periodic physical verification of fixed assets conducted, as asserted in management's response.
- 1.5.1.23 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.6 Assurance Management**

#### **1.6.1 No Evidence of Surprise Petty Cash Count**

##### **Criteria**

- 1.6.1.1 Paragraph 5.14 (vi) of the Project Financial Manual states "The petty cash shall be subjected to a surprise cash count from time to time, not only by auditors, but also by the Financial Management Specialist".

**Observation**

1.6.1.2 During the audit, we observed no evidence of a surprise count of the petty cash fund by an independent party such as the internal audit department, etc. as required by the Financial Manual.

**Risk**

1.6.1.3 In the absence of surprise cash count, check and balances may be impaired. This may lead to misapplication/misappropriation of petty cash.

**Recommendation**

1.6.1.4 Management should facilitate periodic surprise (unannounced) cash count of the petty cash fund. This control should be facilitated by an internal auditor or the financial management specialist as required. Evidence of the count should be adequately documented on a cash count sheet, signed by the parties (custodian and the auditor) and filed for future review.

**Management’s Response**

1.6.1.5 Management acknowledges the findings and would ensure that this finding is implemented going forward.

**Auditor General’s Position**

1.6.1.6 We acknowledge Management’s acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

**1.7 Project Execution**

**1.7.1 Delays in Project Implementation**

**Criteria**

1.7.1.1 Section VI of the 2021 Project Appraisal Document (PAD) emphasizes increased access to electricity and improved the operational efficiency of Liberia Electricity Corporation (LEC) with the following targets over the project lifespan: **See table 4 below for details.**

**Table 5: Excerpts from the PAD on Project Deliverable Targets**

Indicator Name	Intermediate Targets					End Target
	1	2	3	4	5	
Health facilities provided with electricity service from stand-alone solar systems	0	25	50	100	150	200
Number of households connected to the grid in the project area	0	10,000	15,000	40,000	60,000	80,000
Number of non-residential customers connected to the grid in the project area		50	100	200	350	500
Number of households provided with electricity connection through stand	0	0	1,000	2,500	4,000	6,000
Female participation rate in LEC workforce (Percentage)	17.5	18	19	21	23	25



1.7.1.2 Paragraph 108 of the 2021 Project Appraisal Document states “The gender gaps that the project is aiming to address includes: (a) promoting women’s ability to launch income generating activities; and (b) promoting women access and participation in the energy sector workforce particularly in specific functions at LEC. Gender-inclusive staffing policies and related communication will be implemented to ensure better gender balance and enhance the talent pool. Also, the project aims to improve outcomes for women through enhancing the productive uses of electricity in partnership with the private sector to increase the income of women’s enterprises and livelihoods at the same time as gaining access to off-grid electricity solutions. A community awareness campaign would be developed to inform people in target areas of the benefits and costs of electricity, as well as the payments, procedures and safety practices. Other gender focused activities will be pursued during project implementation following best practices (e.g., Ethiopia) as applicable. The activities could include an internship program, closer collaboration on recruitment policies”.

### Observation

- 1.7.1.3 During the audit, we observed the following irregularities associated with project execution:
- The project targets 40,000 connections over the project life in project areas. Regularized connections should have been 20,000 by this period. However, there was no evidence that connections have commenced to date.
  - As at this reporting period, the project had earmarked 21 female participation in the project workforce. However, we could not validate the number of female participations due to lack of available data.
  - Several planned project and contract activities with end dates in 2024 and 2025 had seen on the average 20% disbursements indicative of delays. **See table 6 below for details.**

**Table 6: Potential for Delay in Project Implementation**

Contract Activity Description	Contractor's Name	Contract Amount US\$	Amount Paid to Date	% Payment	Date of Expiration	Status
Supply and delivery of transformer & transformer Workshop	Lutech-Mahashakti JV	3,877,578.87	775,515.77	20%	23-Feb-2024	Ongoing
Densification and expansion of distribution network-Lot 1	Wilkins Engineering Limited	5,515,741.00	1,103,148.20	20%	30-Jun-2025	Ongoing
Rehabilitation and expansion of existing distribution network Lot-2	Alpha TND Limited/Capital Eletech PVT Limited	5,962,951.54	1,192,590.31	20%	28-Feb-2025	Ongoing
Consultancy						

Contract Activity Description	Contractor's Name	Contract Amount US\$	Amount Paid to Date	% Payment	Date of Expiration	Status
services for the preparation of environmental project brief for the Grid Densification and Expansion		31,990.00	6,188.00	19%	8-Jan-2024	Ongoing.

### Risk

- 1.7.1.4 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.7.1.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.7.1.6 Payments may be made for service not performed and value for money may be impaired.
- 1.7.1.7 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

### Recommendation

- 1.7.1.8 Management should provide substantive justification why project deliverables have not been implemented consistent with approved timelines.
- 1.7.1.9 Management should assess the current status of the work performed, the contractor's capacity to complete the connection of homes and public facilities to the power grid and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.7.1.10 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverable and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.
- 1.7.1.11 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.7.1.12 Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

1.7.1.13 *Management acknowledges the findings and would like to state that the observation on Table 6 was mainly due to the political situation that resulted in the change of signatories at the Ministry of Finance, thus delaying payments that were in the system for signature. These have greatly increased in 2025.*

**Auditor General's Position**

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

### 1.8 Prior Year Audit Recommendations

Issue	Finding	Recommendation	Status
1.1.2 Refund / Retirement Due from Ministry of Mines and Energy (MME)	<p>1.1.2.3 During the audit, we observed that the Minister of Mines and Energy (MME) received an amount of US\$6,756.00 to attend the 58<sup>th</sup> session of the United Nations framework Convention. However, the program did not materialize due to the non-issuance of a travel visa.</p> <p>1.1.2.4 However, only US\$4,000.00 was refunded in the year under audit leaving an unrefunded balance of US\$2,756.00.</p> <p>1.1.2.5 This issue was also disclosed in the quarter three (3) Interim Financial Report</p>	<p>1.1.2.9 Management should facilitate full recovery of the project funds.</p> <p>1.1.2.10 Going forward, Management Should facilitate timely refund of Travel advances not utilized consistent with the GoL Travel Ordinance. Evidence of reimbursement of unutilized travel advances should be adequately documented and filed to facilitate future review.</p>	Resolved
1.1.3 Third-Party Payments Made to Employees	<p>1.1.3.2 During the audit, we observed that Management made payments amounting to US\$1,978.00 in the name of a project staff of LESSAP for goods and services rather than the vendors, service-providers and direct beneficiaries or legally authorized representatives</p>	<p>1.1.3.5 Management should ensure that all payments for goods and services procured should be made directly to the legitimate vendors, beneficiaries or their legally authorized representatives through the issuance of checks or transfer to bank accounts.</p> <p>1.1.3.6 Alternatively, Management should utilize the mobile money</p>	Not resolved. Third party payment is recurring.



Issue	Finding	Recommendation	Status
		platform by transferring funds directly to beneficiaries while maintaining the relevant source and supporting documentations.	
1.1.5. Non-Utilization of Project Funding	1.1.5.3 During the audit, we observed that a funding source for the project under Trust Fund -TF B5153 had closed as of 29th September 2023 without evidence of a drawdown from the fund to the project's designated account. The targeted funding from this source is US\$2.5 million and is meant to finance component 2 of the project which is the electrification of health centers and households in off-grid rural areas.	<p>1.1.5.6 Management should provide substantive justification for non-utilization of the fund for the period under audit.</p> <p>1.1.1.4 Going forward, Management should ensure that funds from the Trust Fund -TF B5153 are closed and transferred to the project's designated account (DA).</p> <p>1.1.1.5 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of deliverables and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.</p> <p>1.1.5.4 Management should facilitate timely</p>	Resolved. Closing date of project extended by the bank



Issue	Finding	Recommendation	Status
		<p>receipt and utilization of project funds consistent with the approved work plans and budget. Also, Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.</p>	
<p>1.1.6 Failure to Fully Withhold and Remit Taxes</p>	<p>1.1.1.7. During the audit, we observed that Management did not withhold and remit the total amount of US\$22,704.00 as withholding taxes for consultancy services to the LRA</p> <p>1.1.6.1 Additionally, we observed during the audit that Management procured goods and services from various vendors and suppliers totaling US\$31,351.02 without evidence that applicable 10% Goods and Service Tax (GST) was withheld and remitted to LRA.</p>	<p>1.1.1.11 Management should provide substantive justification for not fully withholding and remitting withholding taxes to the LRA.</p> <p>1.1.1.12 Management should facilitate full remittance of withholding taxes to the LRA 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 other relevant supporting records should be adequately documented and filed to facilitate future review.</p>	<p>Resolved. Taxes are now being withheld at source for consultancy professional fees and accommodation allowances as well as for vendors, suppliers and contractors</p>
<p>1.2.1 Accounting System Irregularities</p>	<p>1.2.1.3 During the audit, we observed the following irregularities associated with the project financial management systems: There was no evidence that the project</p>	<p>1.2.1.6 Management should establish and maintain a chart of accounts with appropriate account codes.</p> <p>1.2.1.7 Management</p>	<p>Unresolved</p>



Issue	Finding	Recommendation	Status
	<p>maintained a chart of accounts to serve as a guide in the classifying, posting and summarizing of transactions recorded in the cashbook;</p> <p>There was no evidence that the project maintained general ledger accounts to ensure completeness of posting and proper classification of transactions; and</p> <p>There was no evidence of a trial balance to facilitate the completeness and accuracy of posting of transactions recorded in the cashbook and to aid in the preparation of the financial statements.</p>	<p>should procure and operationalize a functional accounting software to record all financial transactions of the project.</p> <p>1.2.1.8 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.</p>	
<p>1.2.2 Planned Assets Mapping Survey Not Executed</p>	<p>1.2.2.4 During the audit, we observed that the implementation of the Assets and Customer Mapping Survey under the Revenue Protection Program had not been implemented in accordance with plan.</p> <p>1.2.2.5 Additionally, we observed no evidence of disclosure for the non-execution in the notes to the financial statements.</p>	<p>1.2.2.6 Management should assess the current status of the work performed, the contractor's capacity to complete the Assets and Customer Mapping Survey and update the Office of the Auditor General as part of Management's response to this Management Letter.</p> <p>1.2.2.7 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation</p>	<p>Unresolved</p>

Issue	Finding	Recommendation	Status
		<p>of service for all contractors. The work plan should comprehensively catalog phases of deliverables and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts.</p> <p>1.2.2.8 Management should facilitate periodic monitoring and evaluation of project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.</p>	
1.2.3. Payment made on Invalid Tax Clearance and Business Registration	During the audit, we observed that Management authorized payments amounting to US\$31,009.76, without evidence of valid tax clearance and Business Registration Certificates	<p>Management should ensure that for all transactions involving procurement of goods and services, valid Tax Clearance and Business Registration Certificates are 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 in 2010.</p> <p>Evidence of valid business registration and</p>	Resolved, non- recurring



*Management Letter on the Audit of the Financial Statements Audit  
of the Liberia Electricity Sector Strengthening Access Project (LESSAP)  
For the year ended December 31, 2024*

Issue	Finding	Recommendation	Status
		tax clearance certificates should be adequately documented and filed to facilitate future review.	



ANNEXURE

Annexure 1: Irregularities Associated with Fixed Assets (Assets not Coded / Marked)

No.	Date of Receipt	Asset Type	Supplier	Asset Description	Asset Value US\$	Asset Identification Number	Qty	Assignee
1	8-Mar-24	Laptop	RAJ Enterprise Inc	HP ENVY X 360 TOUCH SCREEN 14"	8,700.00	Not yet marked	6	MME Office
2	8-Mar-24	Dell DeskTop	RAJ Enterprise Inc	Dell DesDisplayktop 24"	7,500.00	Not yet marked	4	MME Office
3	8-Mar-24	Printer/HP color Laserjet	RAJ Enterprise Inc	HP Color Laserjet Pro MFP M479FDW	4,500.00	Not yet marked	3	MME Office
4	8-Mar-24	Hisense 75"	RAJ Enterprise Inc	Hisense 75" 4KUHD TV SMART LED A7 Series	960.00	Not yet marked	1	MME Office
5	8-Mar-24	Projector	RAJ Enterprise Inc	EPSON PROJECTOR EB-X49 3600LUMES	960.00	Not yet marked	1	MME Office
6	8-Mar-24	Hisense 43"	RAJ Enterprise Inc	Hisense 43" UHD YU SMART LED A4 Series	810.00	Not yet marked	3	MME Office
7	8-Mar-24	Elite Pro Air	United Office Supplies	Elite Pro Air Condition 18,000 BTU	1,575.00	Not yet marked	4	MME Office
8	8-Mar-24	Elite Pro Air Condition	United Office Supplies	Elite Pro Air Condition 24,000 BTU	4,130.00	Not yet marked	7	MME Office
9	8-Mar-24	Air Condition ( Standind Unit )	United Office Supplies	Air Condition ( Standind Unit ) 24,000.00 BTU	1,075.00	Not yet marked	1	MME Office
10	4-Apr-24	Office Desk	Offie Ideas	OI Office Executive Dexk 16078 ( Brown-- Black )	1,198.00	Not yet marked	2	MME Office
11	4-Apr-24	Office Desk	Offie Ideas	OI Office Executive Dexk 1206 ( OAK-- SILVER )	3,300.00	Not yet marked	12	MME Office
12	4-Apr-24	Office Chair	Offie Ideas	Office Chair ( Executive High Back ) 7805	350.00	Not yet marked	2	MME Office
13	4-Apr-24	Office Chair	Offie Ideas	Office Chair ( Mesh High Back ) 1020/2001	875.00	Not yet marked	7	MME Office
14	4-Apr-24	Office Chair	Offie Ideas	Office Chair ( Mesh Law Back ) 1019/2002	3,600.00	Not yet marked	40	MME Office
15	4-Apr-24	Cubicle Shelves	Offie Ideas	Cubicle (Prefab Sheethn for Partitioning office )	900.00	Not yet marked	2	MME Office
16	4-Apr-24	Cubicle Shelves	Offie Ideas	Cubicle (Prefab Sheethn for Partitioning office )	450.00	Not yet marked	1	MME Office
17	4-Apr-24	Item	Offie Ideas	Confrence Table( 30 Seated combined ) Minimum	1,200.00	Not yet marked	1	MME Office
18	4-Apr-24	Work Station	Offie Ideas	Work Station (Oak Colo, 2 person straight shape Opp	7,250.00	Not yet marked	10	MME Office
19	4-Apr-24	Chair	Offie Ideas	3 Seater Chair ( Metal Type )	350.00	Not yet marked	2	MME Office
20	4-Apr-24	Table	Offie Ideas	Round Meeting Table CRT100	150.00	Not yet marked	1	MME Office
21	4-Apr-24	Office Chair	Offie Ideas	Office Chair ( Mesh Law Back ) 1019/2002	450.00	Not yet marked	5	MME Office
22	4-Apr-24	Kitchen Table	Offie Ideas	Kitchen Table ( Wooden ) 120cm x 60cm	90.00	Not yet marked	1	MME Office
23	4-Apr-24	Shelves	Offie Ideas	Shelves ( Wooden Abinet )	950.00	Not yet marked	5	MME Office
24	11-Nov-24	Computers	Office Ideas	Lenovo Laptop Idea 5 Computer	1,229.00	Not yet marked	1	PIU - Snr FMS
25	11-Nov-24	Computers	Office Ideas	Lenovo Laptop Idea 5 Computer	1,229.00	Not yet marked	1	PIU - Proc Assit
26	11-Nov-24	Computers	Office Ideas	Lenovo Laptop Idea 5 Computer	1,229.00	Not yet marked	1	PIU -
27	11-Nov-24	Computers	Office Ideas	Lenovo Laptop Idea 5 Computer	1,680.00	Not yet marked	1	PIU -
28	11-Nov-24	Computers	Office Ideas	Lenovo Laptop Idea 5 Computer	1,680.00	Not yet marked	1	PIU -
					58,370.00		126	

