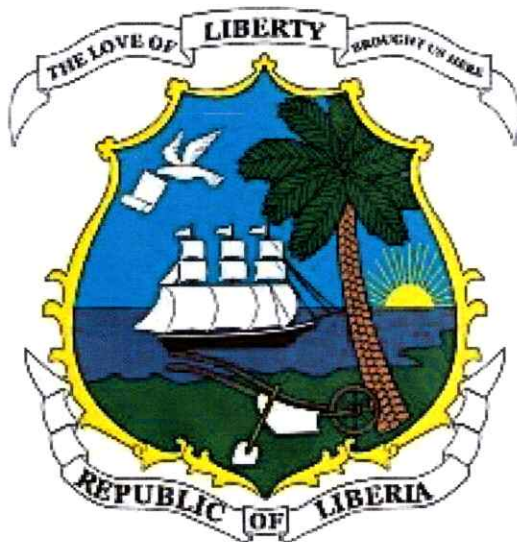




Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT



**On the Financial Statements Audit of the  
Special Argo Industrial Processing Zone  
Project (SAPZ)**

*For The Year Ended December 31, 2024.*

May 2025

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

### Table of Contents

Opinion..... 4  
Basis for opinion..... 4  
Management’s Responsibilities ..... 4  
Auditor’s Responsibilities ..... 5

**Acronyms/Abbreviations/Symbols**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
AFDB	African Development Bank
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
COSO	Commission on Sponsoring Organization
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FDA	Forestry Development Authority
FY	Fiscal Year
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
IT	Information Technology
LRA	Liberia Revenue Authority
NIC	National Investment Commission
PFM Act	Public Finance Management Act
PIEs	Project Implementing Entities
PIU	Project Implementing Unit
R. L	Republic of Liberia
SAPZ	Special Argo-Industrial Processing Zone Project
US\$	United States Dollar

June 27, 2025

Hon. Jeff B. Blibo  
Chairman  
National Investment Commission (NIC)  
Un Drive  
Monrovia, Liberia

Dear Hon. Blibo:

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF SPECIAL AGRO-INDUSTRIAL PROCESSING ZONE (SAPZ) FOR THE FISCAL YEAR January 1, 2024 TO DECEMBER 31, 2024.**

**Opinion**

We have audited the accompanying financial statements of Special Argo Industrial Processing Zone (SAPZ): P-LR-AA0-009 for the fiscal year ended December 31, 2024, which comprise the statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Financial Position and Statement of Comparison of Budget and Actual Amount.

In our opinion, the accompanying financial statements (Grant Agreement No 2100155041079, Lone No. 21001500426703) present fairly in all material respects the Statement of Receipts and Payments as at December 31, 2024, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information for the year 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 for Supreme Audit Institutions (ISSAI's). 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 Special Argo Industrial Processing Zone (SAPZ) Project of the National Investment Commission (NIC) 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 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 SAPZ Management is responsible for overseeing the Project's financial reporting process.

### **Auditor's Responsibilities**

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Receipts and Payments. The procedures selected depend on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Statement of Receipts and Payments 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 Statement of Receipts and Payments.

Sincerely,



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

**Monrovia, Liberia**

June 2025

# **AfDB-Liberia - Special Agro Industrial Processing Zone Project (SAPZ)**

**Financial Statement of African Development  
Bank Funded Project  
for the year ended December 31, 2024.  
SAPZ: P-LR-AA0-009**



## **Statement of Project Management Responsibility**

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone 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 (vi) making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2024, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for AfDB-Liberia - Special Agro Industrial Processing Zone 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 Liberia Learning Foundation project on \_\_\_\_\_ 2025.



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

<i>In United States Dollars</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Cummulative</b>
<b>Receipt</b>			
TSF Funds	-	-	-
<b>Total Receipt</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payment</b>			
Strengthen Institutional Capity and support the development of climate resilient enabling infrastructure to attracts investments in agriculture value addition	-	-	-
Support Provision of enabling (external) Infrastructure for agro industrialization	-	-	-
Project Coordination & Management	-	-	-
<b>Total Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of receipts over payments (payments over receipts)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance as at beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cummulative fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The notes on pages 7 to 8 are integral part of these project financial report*

**Note:**

The third party payments of **US\$585,988.04** which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors. At the moment, the project does not have any Special Account which the disbursement can be made from.





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

<i>In United States Dollars</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>A Fund Balance</b>		
<b>Balance of Project Fund</b>	-	-
Add: Total Receipts during the period	-	-
Total Fund available for operations	-	-
Less: Total Payments during the period	-	-
<b>Balance of project fund at the end of the year</b>	-	-
<b>B Cash Status:</b>		
Cash at Bank	-	-
<b>Total Cash on hand and in bank</b>	-	-
<b>Difference between A and B</b>	-	-

*The notes on pages 7 to 8 are integral part of these project financial report*

**Note:**

The third party payments of US\$585,988.04 which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors. At the moment, the project does not have any Special Account which the disbursement can be made from.



**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE 18 MONTHS ENDED DECEMBER 31, 2024**

**11. Analysis of Variance**

<b>Activities Within Components</b>	<b>Project Allocation</b>	<b>Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>
	US\$	US\$	US\$	US\$
Strengthen Institutional Capacity and support the development of climate resilient enabling infrastructure to attract investments in agriculture value addition	10,910,000	257,317	-	257,317
Enable skills and climate smart agricultural value chain development and strengthen farmer coordination	2,700,000	-	-	-
Project Coordination & Management	2,630,000	328,671	-	328,671
<b>Grand Total</b>	<b>16,240,000</b>	<b>585,988</b>	<b>-</b>	<b>585,988</b>

*The notes on pages 7 to 8 are integral part of these project financial report*


**Variance Explanation**

The variances seen are the direct payment made which has been reported as third party and therefore not reflecting on this page. We are reporting the budgeted amount to indicate how much was allocated for these expenditures during the period under review.



**STATEMENT OF FINANCIAL POSITION  
 FOR THE PERIOD ENDED DECEMBER 31, 2024**

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

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

  
 Andrew Anderson  
**Project Coordinator - PMU  
 SAPZ**



## NOTES TO FINANCIAL STATEMENTS

6

### 1. Background and Information of the Project

With support from the African Development Bank (AfDB); the SAPZ-project is geared towards providing the external infrastructure required to prepare and secure the Agri Hub for private sector developer and additional private sector investments in agro industrial factories. The SAPZ project was approved by the African Development Bank on December 06, 2021 with an amount of UA 11.310 Million (USD 16.22 Million). The aims of the project are

- i. Establishment of the Liberia Special Economic Zone Authority,
- ii. Site Grading, Land Plotting/Development,
- iii. Construction of perimeter fencing (AH),
- iv. Construction of external (approach) road,
- v. Provision of Link to power/energy source,
- vi. Market branding and Hosting of investment promotion events,
- vii. Construction of Agricultural Transformation Centers (1 nos) and Aggregation Centers (1 nos),
- viii. Capacity building along the value chains for Farmer Groups, Micro Small and Medium Enterprises (MSMEs) and youth-led startups,
- ix. Development of an ecosystem of quality and demand driven technical skills for agro industrialization,
- x. Provide Technical Assistance to SEZA for the competitive selection of a Developer for the SEZ/SAPZ Park in Buchanan.

### 2. Use of Grant Proceeds

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

Category	Amount of grant allocated expressed in US\$	% of expenditure to be financed
Streng. Institut. Capacity and Support the Development of climate resilient	10,910,000	100
Support Provision of enabling Infrastructure for agro industrialization	2,700,000	100
Project Coordination & Management	2,630,000	100
<b>Total</b>	<b>16,240,000</b>	

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

	% of Expenditure
AfDB	100
<b>Total</b>	<b>100</b>



## NOTES TO FINANCIAL STATEMENTS *(continued)*

7

### 3. Significant Accounting Policies

#### **Basis of accounting**

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

#### **Reporting currency**

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

#### **Loan Receipts**

Loan from donors for the SAPZ project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the SAPZ project and activities are made through direct payments at the moment.

#### **Cash and bank balances**

There is no cash in hand or in bank due to the suspension posed on the all Liberia's portfolio by the African Development Bank (AfDB). All project payments during the period were made through direct payments by the AfDB to consultants, contractors and vendors.

#### **Recognition of expenditure**

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

#### **Tax**

The project is 100 percent exclusive of tax.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<i>In United States Dollars</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Cummulative</b>
<b>4 Grant</b>			
<b>Funds Received in SA</b>			
Grant No <b>2100155041079</b>	-	-	-
Lone No <b>2100150042703</b>	-	-	-
Others			
<b>Total funds received in SA</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Third Party Payment</b>			
Grant No <b>2100155041079</b>	<b>393,724</b>	264,035	703,119
Lone No <b>2100150042703</b>	<b>192,264</b>	22,881	215,145
Others			
<b>Total Third Party Payment</b>	<b>585,988</b>	<b>286,916</b>	<b>918,264</b>
<b>5 Component 1</b>			
Strengthen Institutional Capity and support the development of climate resilient enabling infrastructure to attracts investments in agriculture value addition	-	-	-
<b>6 Component 2</b>			
Enable skills and climate smart agricultural value chain development and strengthen farmer coordination	-	-	-
<b>7 Component 3</b>			
Project Coordination & Management	-	-	-
<b>8 Cash receipts through the Special Account</b>			
TSF Funds	-	-	-
<b>9 Cash paid</b>			



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<i>In United States Dollars</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Cummulative</b>
Strengthen Institutional Capity and support the development of climate resilent enabling infrastructure to attracts investments in agriculture value addition	-	-	-
Support Provision of enabling (external) Infrastructure for agro industrialization	-	-	-
Project Coordination & Management	-	-	-
<b>Total Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

The third party payments of US\$585,988.04 which are direct payments have been extracted from the total funds receipt and the total payments made. These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors. At the moment, the project does not have any Special Account which the disbursement can be made from.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PROJECT DESIGNATED ACCOUNT STATEMENT**

10

Account Number: N/A  
 Account Type: N/A  
 Depository Bank: N/A  
 Address: N/A

*Currency: United States Dollar*

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total Grant Received	-	-
<b>Total grant income reported</b>	<b>-</b>	<b>-</b>
Amount spent	-	-
Balance as at beginning	-	-
<b>Balance as at December 31, 2024</b>	<b>-</b>	<b>-</b>
<b>Closing Balance Consist of:</b>		
TSF Fund	-	-
	-	-

