



Management Letter

On the Financial Statement Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project

For the Year-end December 31, 2024



Promoting Accountability of Public Resources

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

Monrovia, Liberia
May 2025

Table of Contents

1	DETAILED FINDINGS AND RECOMMENDATIONS.....	6
1.1	Governance	6
1.1.1	Lack of Segregation of Duties	6
1.2	Financial Reporting	7
1.1.2	Non-reconciliation between the Budget/Workplan Activities and the Economic Activities used for Financial Reporting	7
1.2.2	Untimely Submission of Financial Statements	8
1.2.3	Inadequate Disclosure of GOL in- Kind Contributions	10
1.2.4	Inconsistencies between Chart of Accounts and Payment Voucher Coding	11
1.3	Personnel Management.....	14
1.3.1	No Withholding and Remittance of Social Security Contributions.....	14
1.4	Expenditure Management	16
1.4.1	Payments Made to Third-Party.....	16
1.5	Fixed Assets Management.....	17
1.5.1	Irregularities Associated with Fixed Asset Management.....	17
1.5.2	Irregularities Associated with Fixed Assets Distributed to the Farmers' Group and Cooperatives	19
1.6	Assurance Management	21
1.6.1	Irregularities Associated with Internal Audit Functions	21
1.6.2	No Approved Risk Assessment Policy and Periodic Risk Assessment	24
1.7	Field Verification Issues	25
1.7.1	Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Flowroken (River Gee County)	25
1.7.2	Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Jarkaken (River Gee County)	27
1.7.3	Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Pleebo (Maryland County) A and B.....	29
1.7.4	Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure in Grand Gedeh County	32
1.1.14	No Monthly Budget Performance Report.....	37
1.1.7	Warehouse not Constructed.....	37
ANNEXURES	39

ACRONYMS USED

Acronym	Meaning
AG	Auditor General
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
CoBit	Control Objectives for Information and Related Technology
COSO	Committee of Sponsoring Organization of the Treadway Commission
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standard of Supreme Audit Institutions
MFDP	Ministry of Finance and Development Planning
MoA	Ministry of Agriculture
PFM	Public Finance Management
PIU	Project Implementation Unit
PMU	Project Management Unit
PV	Payment Voucher
SADFONS	Smallholder Agriculture Development for Food and Nutrition Security
US\$	United States Dollar

June 26, 2025

Hon. J. Alexander Nuetah, PHD
Minister
Ministry of Agriculture
New Ministerial Complex, Congo Town
Montserrado County, Liberia

Dear Hon. Nuetah:

RE: Management Letter on the Financial Statement Audit of the Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project for the period January 1, 2024 to December 31, 2024

The financial statements of the Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project for the period January 1, 2024 to December 31, 2024 are subject to audit by the Auditor General consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014 as well as the engagement Terms of Reference.

Introduction

The Audit of the financial statements of SADFONS for the period January 1, 2024, to 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 audit.

Scope and Determination of Responsibility

The audit is conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

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 statement presentation.

The audit also included 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 SADFONS' Management. Our responsibility is to express our opinion on these financial statements.

The audit findings which were identified during the course of the audit are included below.

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of SADFONS Management during the audit.

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

Sincerely,

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 Segregation of Duties

Criteria

- 1.1.1.1 According to COSO Framework 2011, paragraph 148, "senior management and the board of directors establish the organizational structure and reporting lines necessary to plan, execute, control and periodically assess the activities of the entity. This goal is to provide for clear accountability and information flow within and across the overall entity, and its subunits".

Observation

- 1.1.1.2 During the audit, we observed that the existing staffing in the finance section of the project is inadequate to facilitate adequate segregation of duties and check and balances. The finance section only had the project accountant who is responsible for all of the accounting and financial reporting activities of the project.

Risk

- 1.1.1.3 Lack of segregation of duties of such key functions may impair checks and balances, leading to misappropriation of the entity's fund.
- 1.1.1.4 Effective review and reconciliation of financial transactions may be impaired. This may facilitate fraudulent financial management practices.

Recommendation

- 1.1.1.5 Management should facilitate the competitive hiring of additional qualified and experienced staff in the finance section to ensure appropriate segregation of duties.
- 1.1.1.6 Management should also ensure that the relevant segregation of duties over processing (preparing, reviewing and approving) of transactions are initiated and operationalized.
- 1.1.1.7 Evidence of competitive recruitment of an experienced and qualified finance professional and subsequent employment should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.8 *Management acknowledges the observation regarding the previous inadequacy in the finance section which affected proper segregation of duties and internal controls. We are pleased to inform you that the issue has since been addressed. The project has recruited a Financial Management Specialist (FMS) as well as have in its employ a Finance Assistant who has been seconded from the Ministry of Agriculture (MOA). This has significantly strengthened the finance team and effectively established appropriate segregation of duties and internal checks and balances in line with sound financial*

management practices. We believe this measure adequately resolves the concern raised.

Auditor General's Position

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

1.2 Financial Reporting

1.1.2 Non-reconciliation between the Budget/Workplan Activities and the Economic Activities used for Financial Reporting

Criteria

- 1.2.1.1 Section 14 (2)(a) of the PFM Act of 2009 as amended and restated 2019 states: "All public financial transactions, both revenues and expenditures, are to be structured and classified using the same classifications for both budgeting and accounting. The following rules will apply:

- a) Where relevant, these classifications shall be designed to meet generally accepted international standards as defined in regulations issued pursuant to this Act. In the national budget or supplementary appropriations, budgetary classifications may be made for expenditures of a confidential nature. Details of such spending items will be promulgated in the regulations accompanying this Act".

- 1.2.1.2 Further, Regulation D.18 (1) of the PFM Act of 2009 as amended and restated 2019 states: "For the purposes of budgeting and accounting, the expenditures and other payments of Government agencies shall be classified by administrative/institutional unit responsible for spending, appropriated at spending agency level, and will be further classified according to economic classification structured around the following major categories of spending: (a) Recurrent expenditures further subdivided by: (i) Wages, salaries and other allowances (ii) Goods and services (iii) Current subsidies and transfers (iv) Interest payments on debt (b) Acquisition of capital assets 43 (c) Lending (d) Equity participation (e) Repayment of external or domestic debt".

Observation

- 1.2.1.3 During the audit, we observed that the project activities per the budget and workplan were classified in programmatic activities but expended in economic activities form. For instance, the program activities named "Support to enhancing smallholder agricultural productivity and market access" were used for various economic expenditures including travel, fuel, stationeries, agricultural activities, etc. However, we observed no evidence of reconciliation between the programmatic activities and the economic activities which served as the basis for the preparation of the general ledger, trial balance, and subsequently the financial statements.

Risk

- 1.2.1.4 The completeness and accuracy of expenditures may not be assured. Therefore, the

financial statements may be misstated. Management may not account for all of its transactions.

1.2.1.5 Fair presentation and full disclosure may be impaired.

1.2.1.6 Non-reconciliation between programmatic and economic activities may impair accurate reporting of budget versus actual analysis.

Recommendation

1.2.1.7 Management should reconcile the programmatic activities to the economic activities to facilitate consistency in the classification of project financial transactions for effective review and reconciliation purposes. The reconciliation statements should be disclosed in the notes to the financial statements.

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 financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

1.2.1.9 *Management acknowledges the observation and appreciates the recommendation. However, we wish to clarify that the project budget and financial statements are prepared and presented based on the components, activities, and cost categories as stipulated in the grant and financing agreements.*

1.2.1.10 *In alignment with the project design, budget allocations are structured by programmatic components and activities. Expenditures, however, are recorded in the accounting system using standard economic classifications (e.g., goods and services, travel, consultancy) for financial reporting purposes. This dual approach is consistent with donor and national reporting requirements.*

1.2.1.11 *The economic classification of expenditures is fully disclosed in Note 6.4.3 of the financial statements.*

1.2.1.12 *Management will consider enhancing the documentation of the internal reconciliation process and explore the possibility of presenting a reconciliation matrix as a supplementary disclosure in future financial statements, where necessary.*

Auditor General's Position

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

1.2.2 Untimely Submission of Financial Statements

Criteria

1.2.2.1 Paragraph 1.4.4 of the 2017 revised IPSAS Cash Basis of Accounting states "The

usefulness of the financial statements are impaired if they are not made available to users in a reasonable period after the reporting date. An entity should be in a position to issues its financial statements within six months of the reporting date, although a timeframe of no more than three months is strongly encouraged. Ongoing factors such as the complexity of an entity's operations are not sufficient reason for failing to report on a timely basis. More specific deadlines are dealt by legislations and regulations in many jurisdictions.

- 1.2.2.2 Regulation I.11 of the PFM Act of 2009 as Amended and Restated 2019, Annual Government Agency Accounts, states: "(1) There shall be prepared by the head of government agency or an administrator or head of any Government agency and transmitted to the, the Minister and the Comptroller-General in respect of the year, accounts covering all Public Funds under his control. The accounts shall be submitted within a period of two months after the end of each fiscal year, or such other period as the Legislature may by resolution appoint, and shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia".

Observation

- 1.2.2.3 During the audit, we observed no evidence that Management submitted the annual financial statements two months after the end of the fiscal period to the Offices of the Auditor General and the Comptroller and Accountant General as required.

Risk

- 1.2.2.4 Management may be non-compliant with Regulation I.11 of the PFM Act of 2009 amended 2019.
- 1.2.2.5 Failure to provide financial statements in a timely manner, may impair relevance and usefulness of the financial statements. Stakeholders may not be able to make informed decisions in a timely manner.

Recommendation

- 1.2.2.6 Management should provide explanation for failing to make available the annual financial statements in accordance with regulations.
- 1.2.2.7 Going forward, Management should facilitate timely presentation of financial statements to the Offices of the Auditor General and the Comptroller and Accountant General two months after the end of the fiscal period in line with Regulation I.11 of the PFM Act of 2009 as amended and restated 2019.
- 1.2.2.8 Evidence of approved financial statements should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.2.9 *Management acknowledges the observation; however, we wish to clarify that the project financial statements were prepared and finalized in a timely manner, in line with donor reporting requirements and project timelines.*

1.2.2.10 *The requirement under Regulation I.11 of the PFM Act refers specifically to the annual consolidated financial statements of the Ministry of Agriculture (MOA), which are to be submitted to the Auditor General and the Comptroller and Accountant General. As a project operating under the MOA, our financial statements form part of the overall MOA accounts and are submitted accordingly through the appropriate channels.*

1.2.2.11 *We remain committed to timely and accurate financial reporting and will continue to coordinate with the MOA to ensure that project financials are incorporated in the Ministry's consolidated submission as required by law.*

Auditor General's Position

1.2.2.12 Management's assertions were not supported by documentary evidence. We obtained no evidence of the project and the Ministry of Agriculture unaudited financial statements within two months after the end of the fiscal year as required. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.3 Inadequate Disclosure of GOL in- Kind Contributions

Criteria

1.2.3.1 Paragraph 1.3.8 of IPSAS Financial Reporting Under Cash Basis of Accounting, November 2017, states: "Notes to the financial statements include narrative descriptions or more detailed schedules or analyses of amounts shown on the face of the financial statements, as well as additional information. They include information required and encouraged to be disclosed by this standard, and can include other disclosures considered necessary to achieve a fair presentation and enhance accountability."

1.2.3.2 Section C, page 5 of the Additional Financing Project Appraisal Report states that "The Government contribution will be an in-kind contribution of project staff seconded to the National Coordinating Office (NCO) and provision of office accommodation. The project resources shall not be used to finance taxes and duties in the project."

Observation

1.2.3.3 During the audit, we observed no evidence that Management disclosed office accommodation and taxes as part of GOL in- kind contributions in the notes to the financial statements.

Risk

1.2.3.4 Management may be non-compliant with paragraph 1.3.8 of IPSAS Financial Reporting Under Cash Basis of Accounting.

1.2.3.5 The actual value of Gol in-kind contribution received by Management may not be assured in the absence of full disclosure of the required information.

1.2.3.6 Fair presentation and full disclosure may be impaired.

Recommendation

- 1.2.3.7 Management should immediately liaise with the MOA, MFDP and other relevant authorities to provide a comprehensive report on the details and value (including the basis on which the value is determined) of GOL in-kind contribution made to the project as at December 31, 2024.
- 1.2.3.8 Subsequently, Management should adjust the financial statements and disclosed in the notes to the financial statements the comprehensive composition of GOL in-kind contributions constituting seconded staff, taxes and office accommodation. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.3.9 Going forward, Management should facilitate full and adequate disclosure of all GOL in-kind contributions in the notes to the financial statements to facilitate completeness, accuracy and fair presentation of the financial statements. For withholding taxes not withheld, Management should develop and maintain a schedule of unremitted taxes to facilitate full and adequate disclosure of GOL in-kind contributions in taxes for the fiscal period.

Management's Response

- 1.2.3.10 *Management acknowledges the observation and appreciates the recommendation. We wish to clarify that the project currently reports in-kind contributions from the Government of Liberia based on the valuation of seconded staff salaries, which is the most readily available and reliably measurable component. However, we recognize the importance of disclosing the full extent of GoL contributions, including office accommodation and applicable taxes. Given the challenges in accurately determining the monetary value of office space and tax exemptions, management will liaise with the Ministry of Agriculture (MOA), Ministry of Finance and Development Planning (MFDP), and other relevant authorities to explore acceptable valuation methods and obtain the necessary information.*

Auditor General's Position

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

1.2.4 Inconsistencies between Chart of Accounts and Payment Voucher Coding

Criteria

- 1.2.4.1 Paragraph 1.3.27 of the IPSAS Financial Reporting under the Cash Basis of Accounting states that: "Financial Statements shall present information that is:
- Understandable
 - Relevant to the decision-making and accountability needs of users;
 - A faithful representation of the cash receipt, cash payments, and cash balance of the entity and other information disclosed in the financial statement in that

it is:

- Complete;
- Neutral, and
- Free from material error;
- Comparable;
- Timely; and
- Verifiable

Observation

1.2.4.2 During the audit, we observed inconsistencies between the approved Chart of Account (CoA) codes and chart of account codes utilized on some Payment Vouchers (PVs). **See Table 1 below for details.**

Table 1: Inconsistencies between Chart of Accounts and Payment Voucher Coding

No	Description	Chart of Accounts Used	Chart of Accounts Displayed on PVs	Payment Voucher #	Amount (US\$)
1	payment for the supply of office equipment and furniture for CARI	22113	232221	841	6,420.00
2	Payment for the supply of vegetable seeds for peri-urban farmers	221801	221807	825	32,050.00
3	Payment for the construction of a warehouse in Bentol	23221	232211	592	16,344.10
4	Payment CARI- Casual workers for the Production of foundation seeds for August 2024-	221701	222118	764	6,776.00
5	CARI- payment for casual workers for the prod. of foundation & certified for December 2024- PV#837	221701	222118	837	9,304.00
6	CARI- Casual workers for the Production of foundation seeds for July 2024	221701	222118	763	7,338.00
7	Perdiem & Entry fee to attend GAFSP review in Banjul, Gambia	221107	221102	594	1,901.00

No	Description	Chart of Accounts Used	Chart of Accounts Displayed on PVs	Payment Voucher #	Amount (US\$)
8	Perdiem & Entry fee to attend GAFSP review in Banjul, Gambia	2211701	221102	596	1,901.00
9	Perdiem for field mission to the southeast to label & code assorted equipment	221107	221105	761	3,998.80
Total					86,032.90

Risk

- 1.2.4.3 Inappropriate usage of chart of account codes may impair effective review and reconciliation between the financial statements and the general ledger.
- 1.2.4.4 Inconsistencies between Chart of Account codes and payment voucher codes may result in the misclassification of expenditures, impairing the accuracy and reliability of financial reporting. Misclassification of transactions may result in improper reconciliation of budget vs actual analysis.

Recommendation

- 1.2.4.5 Management should ensure that all payment vouchers are coded consistent with the approved Chart of Accounts to facilitate effective review and reconciliation between the general ledger and the financial statements.
- 1.2.4.6 Going forward, Management should facilitate routine training of staff on data entry posting and classification of transactions for junior staff. 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.

Management's Response

- 1.2.4.7 *Management acknowledges the observation and appreciates the recommendation. We wish to clarify that the inconsistencies noted between the Chart of Accounts (CoA) codes and the Payment Vouchers (PVs) were due to adjustments made in the accounting system after the PVs had already been prepared and approved. These post-entry corrections, while intended to align with accurate financial reporting, were not always reflected in the original PV documentation.*
- 1.2.4.8 *To address this, management will strengthen internal review procedures by ensuring that all account codes are carefully reviewed and validated before transactions are posted to the ledger. Additionally, we will enhance supervisory oversight and provide*

refresher training to finance staff on accurate account coding and documentation practices.

Auditor General's Position

- 1.2.4.9 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 Personnel Management

1.3.1 No Withholding and Remittance of Social Security Contributions

Criteria

- 1.3.1.1 Section 89.16(a) of the NASSCORP New Act and published February 13, 2017 states that "The contribution payable under this Act in respect of an employee shall comprise contribution payable by the employer (hereinafter referred to as the employer's contribution) and contribution payable by the employee (hereinafter referred to as the employee's contribution) and shall be paid to the Corporation. Contribution rate shall be total 10% of the total gross remuneration of each employee; 2% under the Employment Injury Scheme payable by the employer; 4% employer contribution and 4% employee contribution to be remitted by the employer."
- 1.3.1.2 Section 3.2 of The Employer's Guide to the National Social Security and Welfare Corporation Schemes of 2013, provides "Persons not Eligible for Coverage under the EIS and NPS" includes:
- Members of the Armed Forces including the Naval and Air Force;
 - Members of any military forces of any country other than Liberia;
 - Members of the employer's family dwelling in his/her house;
 - Wives working for their husbands; vice versa.
 - Domestic servants and hires;
 - Persons employed on board vessels, ships, boats or canoes, etc. flying Liberian flag;
 - Persons born before September 1, 1959, and
 - Persons under the age of 18 or above the age of 55 (for persons born before 1980) and above the age 52 (for persons born 1980 and after).

- 1.3.1.3 Also, Section 3.3 of The Employer's Guide to the National Social Security and Welfare Corporation Schemes of 2013, provides that "Why are these persons not covered" There are special pension plans and life insurance policies for those in the army and others who are not covered by NPS and EIS. Some of these individuals are extremely high-risk employees and they perform their jobs under conditions that are difficult to monitor.

Observation

- 1.3.1.4 During the audit, we observed that Management did not withhold and remit statutory social security contributions amounting to US\$300,822.00 from the gross salaries of project staff to NASSCORP for the period January 1 to December 31, 2024.

Risk

- 1.3.1.5 Management may be non-compliant with NASSCORP General Regulations of 2018 which may result to penalties and fines.
- 1.3.1.6 Potential retirees of SADFONS project may be denied required pension benefits due to non-compliance with the Regulation.
- 1.3.1.7 The completeness and accuracy of social security contributions for employees may be misstated. This may lead to inaccurate computation of employees' social security benefits.

Recommendation

- 1.3.1.8 Management should provide substantive justification for not withholding NASSCORP contributions from retirees / pensioners.
- 1.3.1.9 Management should facilitate comprehensive and accurate computation of social security benefits by ensuring social security computations are derived on the basis of total earnings, as required by the Regulations.
- 1.3.1.10 A payment plan should be crafted and agreed between Management and NASSCORP Management for full settlement of all arrears. Management should budget for and ensure full compliance to the terms of the agreed payment plan. Management should also ensure that future employers' contributions are adequately provided for in the approved budget on an annual basis (where applicable).
- 1.3.1.11 Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.3.1.12 Management should ensure that a comprehensive reconciliation is performed with NASSCORP records to ensure that individual employees social security contributions are duly allocated and compiled to validate the completeness and accuracy of employees' social security contributions.
- 1.3.1.13 Going forward, monthly remittance of social security contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' NASSCORP accounts respectively.
- 1.3.1.14 Evidence of remittances of monthly social security contributions and all relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.3.1.15 *Management acknowledges the observation raised regarding the non-withholding and remittance of NASSCORP contributions for the reporting period. We wish to clarify that all seconded staff under the SADFONS Project are remunerated through the Government of Liberia Civil Servants Payroll System. Accordingly, the deduction and remittance of social security contributions to NASSCORP are handled centrally by the*

Civil Service Agency (CSA) and the Ministry of Finance and Development Planning (MFDP). As such, the project does not directly process nor remit NASSCORP contributions for these categories of staff.

- 1.3.1.16 *For project-hired consultants, it is important to note that their contracts do not provide for the deduction or payment of statutory taxes or social security contributions.*

Auditor General's Position

- 1.3.1.17 Management's assertions did not adequately address the issues raised and is not backed by the relevant laws and regulations. Section 3.2 of the Employer's Guide to the National Social Security and Welfare Corporation Schemes of 2013, provides "Persons not Eligible for Coverage under the EIS and NPS, for which the project consultants were not qualified for exemption. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4 Expenditure Management

1.4.1 Payments Made to Third-Party

Criteria

- 1.4.1.1 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

- 1.4.1.2 During the audit, we observed that Management made payments to third-parties amounting to US\$89,282.00 rather than the contractors, vendors, service-providers and direct beneficiaries or their legally authorized representatives. **See annexure 1 for details.**

Risk

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

Recommendation

- 1.4.1.5 All payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative.
- 1.4.1.6 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

- 1.4.1.7 *Management acknowledges the importance of adhering to Regulation B.28 of the PFM Act of 2009 (as Amended and Restated 2019) regarding payments being made directly to beneficiaries or their legally authorized representatives. However, Management wishes to clarify that the referenced amount of US\$89,282.00 represents funds transferred by the National Coordination Office (NCO) to the CARI for the payment of casual laborers engaged in foundation seed production activities. These casual workers were temporarily recruited, many of whom did not possess valid bank accounts or mobile phones to facilitate direct payments via mobile money platforms. Given this context, funds were advanced to CARI to ensure timely payment to the workers, based on verified attendance records, daily activity sheets, and consolidated payrolls approved by the implementing partner's finance team. The payment modality was exceptional and was used solely to facilitate operational effectiveness in underserved areas where financial infrastructure is limited. All relevant supporting documents—including the signed payrolls, work records, and summary payment reports—are available for verification.*
- 1.4.1.8 *Management is committed to improving financial access for all casual laborers and is working with implementing partners to transition future payments toward more direct and accountable mechanisms, including the expansion of mobile money use where feasible.*

Auditor General's Position

- 1.4.1.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.4.1.10 Management is therefore in breach of financial discipline in line with Regulation B.28 of the PFM Act of 2009 as amended and restated 2019.

1.5 Fixed Assets Management

1.5.1 Irregularities Associated with Fixed Asset Management

Criteria

- 1.5.1.1 Regulation V.1 (2) of the Public Finance Management (PFM) Act of 2009 as amended and restated 2019 states that "The Head of Government agency must take full responsibility for assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that:(a) preventive mechanisms are in place to eliminate theft, losses, wastage, and misuse; And (b) inventory levels are at an optimum and economic level".
- 1.5.1.2 Section 9.3.1-3 of the PMU OPERATIONS MANUAL VOLUME I –ADMINISTRATION AND FINANCE states, 9.3.1 "Asset Tag Number (ATN) shall be uniformly placed on similar types of fixed assets in a visible spot on the asset, but in a manner that will not mar

the appearance of the asset. The following locations are examples for placing Asset Tag Numbers: 9.3.2 Asset Tag Number (ATN) must be established to indicate the user, type, asset class, location, etc. ATN for vehicles are assigned by the General Services Agency (GSA) and by the PMU/PIUs for all other fixed assets. 9.3.3 ATN must be placed on any fixed asset item before issuing it to the user. The issue of fixed assets without assigning and placing ATN on them is strictly forbidden”.

Observation

1.5.1.3 During the audit, we observed the following irregularities associated with the entity's Fixed Assets Management System:

- The fixed assets register did not contain all the relevant columns (where applicable).
- The fixed assets register was not regularly updated (where applicable).
- Most fixed assets of the entity were not coded.
- There was no evidence of movement of assets form.
- There was no history of disposal of assets
- Fixed assets within a given vicinity were not displayed as required by the PFM Act. **See Annexure 2 below for details.**

Risk

1.5.1.4 Fixed Assets may be misstated (Over/understated).

1.5.1.5 Fixed Assets may be damaged or impaired but their values are still on the books.

1.5.1.6 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.

1.5.1.7 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.

1.5.1.8 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.

1.5.1.9 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

Recommendation

1.5.1.10 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.

1.5.1.11 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.

- 1.5.1.12 The Fixed Assets Register should be updated periodically to reflect all the entity's assets.
- 1.5.1.13 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.5.1.14 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.

Management's Response

- 1.5.1.15 *These fixed assets were delivered directly to CARI and the project has already initiated steps to tag and code them. The fixed asset register is being updated to include all required details. Going forward, all assets will be tagged before issuance to beneficiaries and proper documentation maintained in line with the PFM Act and PMU guidelines.*

Auditor General's Position

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

1.5.2 Irregularities Associated with Fixed Assets Distributed to the Farmers' Group and Cooperatives

Criteria

- 1.5.2.1 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 were appropriate, and
 - their distribution to individual locations and the total quantity held."

Observation

- 1.5.2.2 During the audit, we observed the following irregularities associated with assets distributed to Farmer groups or cooperatives:
 - Assets were stored in open spaces without adequate shelter or protection, exposing them to harsh weather conditions such as sun and rain.
 - The assets distributed to the farmers' group or cooperatives were kept in different locations by different individuals.
 - Parts of individual assets were separated and stored in different places by different persons.
 - Some assets could not be physically verified as they were not made available during our physical verification exercise.
 - Fixed assets within a given vicinity were not displayed as required by the PFM Act. **Kindly refer to table 2 below for details.**

Table 2: Irregularities Associated with Assets Distributed to the Farmers' Group and Cooperatives

Group/Cooperative	Location	Asset	Issues	Cost (US\$)
Toukpeh	Maryland (Harper)	Power tiller	Exposure to sun & Rain	3,500.00
Toukpeh	Maryland (Harper)	Water Pump Machine	Kept in a Different Location	200.00
MACAVEFC	Maryland (Plebo)	Cassava Processing Machine	Equipment parts in a different location	4,000.00
Madeamon Farmer	River Gee (Flewroken)	Power tiller	Not Verified	3,500.00
Duoyee Town Farmer Union	Grand Gedeh (Duoyee Town)	Power tiller	Exposure to sun & Rain	3,500.00
Ahweadeh Association	Grand Gedeh (Duogee Town)	Cassava Processing Machine	Part in a different location	4,000.00
Total				18,700.00

Risk

- 1.5.2.3 Inadequate storage of assets may lead to deterioration, damage, or loss of functionality of assets.
- 1.5.2.4 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 project's objectives.

Recommendation

- 1.5.2.5 Management should account for fixed assets not made available by farmer groups/cooperatives for physical verification comprehensively catalogued in table 2 above.
- 1.5.2.6 Management should maintain a distribution log of fixed assets distributed to farmer groups/cooperatives to keep track of assets and to facilitate periodic physical verification of fixed assets distributed to farmer groups/cooperatives.
- 1.5.2.7 Management should ensure that all fixed assets distributed to a farmer group/cooperative are maintained in a single location with the relevant safeguards to facilitate safe custody of assets.
- 1.5.2.8 Management should initiate/enforce a systematic fixed assets coding system to ensure all fixed assets distributed by the project to farmer groups/cooperatives 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.
- 1.5.2.9 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.

1.5.2.10 The Fixed Assets Register should be updated periodically to reflect all the entity's assets. 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.

1.5.2.11 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.

Management's Response

1.5.2.12 *Management acknowledges the recommendations on irregularities related to asset distribution to FBOs and Cooperatives and is committed to addressing the issues, particularly the negligence by some beneficiaries.*

1.5.2.13 *Specifically, regarding the power tiller distributed to the Madeamon Farmer Group in Flowroken, River Gee County; the County Agriculture Coordinator has confirmed its presence in the town instead of the farm site visited.*

1.5.2.14 *To strengthen oversight, the Ministry will enhance monitoring through field staff and beneficiary group leadership to ensure proper use and maintenance of distributed assets.*

Auditor General's Position

1.5.2.15 Management's assertions did not adequately address the issues raised. Management did not account for fixed assets distributed to farmer groups/ cooperatives through physical verification comprehensively catalogued in table 2 above.

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

1.5.2.17 Further, Management should facilitate the conduct of physical verification for the assets not made available during our physical verification exercise catalogued in table 2 above. The report from the proposed physical verification should be submitted to the Office of the Auditor General for validation within 3 months upon the issuance of the Auditor General's Report to the National Legislature.

1.6 Assurance Management

1.6.1 Irregularities Associated with Internal Audit Functions

Criteria

1.6.1.1 Regulation J.3 (4b) of the PFM Act of 2009 as amended and restated 2019 states: "(4) Subject to the Public Finance Management Act 2009 or any other enactment, an internal audit unit established under sub regulation (1): shall carry out internal audit of its

institution and shall submit reports on the internal audit it carries out in accordance with section 38 (3) and (4) of the Public Finance Management Act 2009; the Internal Audit Governance Board standards and procedures; the Government Agency or Government Organization's accounting and auditing instructions; and International Public Sector Accounting Standards, International Organization of Supreme Audit Institutions (INTOSAI) Standards, and Institute of Internal Auditors Standards as adopted by the Government of Liberia;"

- 1.6.1.2 10.6.5 of the PMU Operational Manual states that "Responsibility: the scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:
- a. Prepared annual risk-based audit plan for approval by the PMU Director, Program Donors and PSC and ensure the effective delivery of services and execution of the plan
 - b. Conduct special investigation as requested program executives and by the Steering Committee
 - c. Produce high quality reports that include value-added recommendations to improve process, strengthen internal controls and improve compliance with operating policies and procedures as well as donor requirements
 - d. Prepare the annual budget for the audit function
 - i. Manage resources necessary to accomplish the audit plan and requested services within the parameter of the budget
 - e. Recruit, manage and retain competent staff
 - f. Manage relationships with executives of the MOA, PMU, PMU/PIU, implementing Partners and other key stakeholders
 - g. Maintain a high degree of independence, confidentiality, ethics and professionalism as well as technical proficiency in all aspects of the PMU/PIU's work and
 - h. Develop and adhere to a strict professional methodology for all engagements in accordance with professional auditing standards
- 1.6.1.3 10.6.6 of the PMU Operational Manual states that "The Internal Audit Team will carry out both the traditional internal or compliance audit and the non-financial or operational internal audit."
- 1.6.1.4 10.6.7 of the PMU Operational Manual states that "Reporting and Monitoring: Internal Audit prepares and issues a written report after the conclusion of each internal audit engagement and distributes to the PSC, Senior Management Team, PMU Director, the required Project Coordinator and any other persons as requested by the PSC.

Observation

- 1.6.1.5 During the audit, we observed the following irregularities associated with the internal audit function:
- No evidence of periodic risk assessment

- No evidence of periodic internal audits on Management functions. There were no internal audit reports made available for audit purposes.
- No evidence of follow-up activities on the implementation of internal and external audit recommendations.

Risk

- 1.6.1.6 Potential risks that may impair the achievement of the entity's objectives may not be identified and mitigated in a timely manner.
- 1.6.1.7 Failure to conduct and report on internal audit activities may impair the implementation of systems and controls and lead to untimely detection and correction of weaknesses which may exist in the controls system of the entity.
- 1.6.1.8 Internal and external audit recommendations may not be implemented in a timely manner.

Recommendation

- 1.6.1.9 Management should facilitate the preparation and approval of a comprehensive annual internal audit plan. The plan should include periodic risk assessment, periodic internal audits on key Management functions, and follow-up activities on the implementation of internal and external audit recommendations. Management should ensure that the annual internal audit plan is subsequently operationalized, monitored and evaluated to ensure that planned activities are implemented in a comprehensive and timely manner.
- 1.6.1.10 Evidence of approved annual internal audit plan, periodic risk assessment and internal audit reports, and evidence of follow-up activities on the implementation of internal and external audit recommendations should be adequately documented and filed to facilitate future review.

Management's Response

- 1.6.1.11 *Management acknowledges the observation and provides the following clarification: A risk assessment was conducted, and the SADFONS Risk Register for 2024(Exhibit 2) was developed and updated in 2025(Exhibit 3) to inform the Internal Audit Annual Work Plan. The 2024 internal audit report is in draft, delayed due to staff constraints following the resignation of a key team member in December 2024. Follow-up on audit recommendations is done during the annual internal audit review and documented accordingly. Going forward, Management will strengthen documentation, timely reporting, and continuous tracking of audit recommendations in line with the PMU Manual and PFM Act.*

Auditor General's Position

- 1.6.1.12 Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6.2 No Approved Risk Assessment Policy and Periodic Risk Assessment

Criteria

- 1.6.2.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

Observation

- 1.6.2.2 During the audit, we observed no evidence of an approved risk management policy nor the performance of periodic risk assessment to guide internal and external risks that may impair the achievement of the project's objectives.

Risk

- 1.6.2.3 The absence of an approved risk management policy/risk assessment exercise may lead to management not being aware of potential risks that may affect the objective of the Project.
- 1.6.2.4 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby leading to the non-achievement of the entity's objectives.

Recommendation

- 1.6.2.5 Management should develop, approve and operationalize a risk management policy that identifies and mitigate internal and external risks that may impair the achievement of the entity's objectives.
- 1.6.2.6 Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.
- 1.6.2.7 Evidence of approved risk management policy and periodic risk assessment reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.6.2.8 *Management notes the observation and clarifies that the PMU has a Risk Management Policy in place. Additionally, the Internal Audit Unit, with technical guidance from the Internal Audit Agency (IAA) and in line with its new methodology, conducted a risk assessment for the SADFONS Project and developed the Project's Risk Register. The policy and risk register are available for review. (Exhibit 4).*

Auditor General's Position

- 1.6.2.9 We acknowledge Management's assertions and subsequent provision of a draft risk management policy and a risk register. However, we observed no evidence of the conduct of periodic risk assessment and the draft risk policy had not been approved as required. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.7 Field Verification Issues

1.7.1 Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Flowroken (River Gee County)

Criteria

- 1.7.1.1 Financing agreement, subcomponent 1.1. page 3 states "The project will support the establishment of small-scale irrigation systems for all-year-round farming – climate-smart agriculture in lowland ecologies. This activity will support the installation of at least thirty (30) small-scale systems in the ten counties.
- 1.7.1.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

Observation

- 1.7.1.3 During the audit, we observed that Management made payments totaling US\$630,541.84 (Six Hundred Thirty Thousand, Five Hundred Forty-One United States Dollars and Eighty-Four Cents) for the Rehabilitation and Stabilization of Irrigation Infrastructure in Flowroken. However, the following irregularities were noted:
- Significant cracking was observed along the main drain and stone pitching work, resulting in water seepage through the wall of the central canal at Flowroken Swamp, Fish Town.
 - Water was observed flowing from the rice plots into the peripheral canal through unintended paths, rather than through the designated pipes.
 - The contractor, Advance Construction Engineering Corporation, received an advance payment on February 20, 2024, with a contractual completion timeline of ten (10) months, setting the expected completion date at December 2024.
 - Additionally, the Defects Notification Period (DNP) was scheduled to end by June 2025. However, as of the time of the audit field verification on April 23, 2025, the work is ongoing, with the contractor still engaged in stone pitching works on the Central Canal and the Peripheral Canal, indicating a significant delay in meeting the agreed timelines.

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 the civil works were not completed within approved timelines.
- 1.7.1.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the civil works 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 observation and appreciates the concerns raised regarding the ongoing rehabilitation and stabilization of the irrigation infrastructure at the Flowroken site.*
- 1.7.1.14 *Following the design and construction issues noted, the Project has taken immediate and proactive steps to ensure all defects are addressed. Specifically:*
- 1.7.1.15 *The PIU is actively engaging the contractor, Advance Construction Engineering Corporation, to correct all identified defects including the cracks along the main drain and stone pitching, and the unintended flow of water from the rice plots. Design flaws*

have been reviewed in collaboration with the project engineers and corrective measures are being implemented to enhance the integrity and functionality of the infrastructure.

- 1.7.1.16 *A joint technical inspection team was conducted, and a revised implementation schedule has been developed to accelerate completion of the remaining works.*
- 1.7.1.17 *Routine site monitoring has been intensified and technical oversight has been strengthened to ensure quality and timely delivery of outstanding works.*
- 1.7.1.18 *Furthermore, Management is reviewing internal planning and monitoring tools to ensure that future works are better sequenced, milestones are clearly defined, and progress is tracked against agreed deliverables. The project team is also working with the contractor to ensure updated work plans and monitoring reports are adequately documented and shared with relevant stakeholders. We remain committed to ensuring the achievement of project objectives and delivering quality infrastructure in a timely and efficient manner.*

Auditor General's Position

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

1.7.2 Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Jarkaken (River Gee County)

Criteria

- 1.7.2.1 Financing agreement, subcomponent 1.1. page 3 states "The project will support the establishment of small-scale irrigation systems for all-year-round farming – climate-smart agriculture in lowland ecologies. This activity will support the installation of at least thirty (30) small-scale systems in the ten counties.
- 1.7.2.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

Observation

- 1.7.2.3 During the audit, we observed that Management made payments totaling US\$296,438.38 (Two Hundred Ninety-Six Thousand, Four Hundred Thirty-Eight United States Dollars Thirty- Eight Cents) for the Rehabilitation and Stabilization of Irrigation Infrastructure in Jarkaken. However, the following irregularities were noted:
- Significant cracking observed on stone pitching work done on the floor resulting to water seeping out of the ground of the central canal.
 - Only a portion of the central canal was stone-pitched, while the majority remained unprotected.
 - The peripheral canal was not properly aligned and lacked stone pitching or

concrete lining.

- We observed that the slot gates for both the central and peripheral canals were damaged.
- The contractor, Eagle Construction Company, received an advance payment on February 27, 2024, with a contractual completion timeline of ten (10) months, setting the expected completion date at December 2024. Additionally, the Defects Notification Period (DNP) was scheduled to end by June 2025. However, as of the time of the audit field verification on April 23, 2025, the work is ongoing, with the contractor still engaged in stone pitching works on the Central Canal and the Peripheral Canal, indicating a significant delay in meeting the agreed timelines.

Risk

- 1.7.2.4 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.7.2.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.7.2.6 Payments may be made for service not performed and value for money may be impaired.
- 1.7.2.7 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

- 1.7.2.8 Management should provide substantive justification why the civil works were not completed within approved timelines.
- 1.7.2.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the civil works and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.7.2.10 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.
- 1.7.2.11 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.

- 1.7.2.12 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

- 1.7.2.13 *Management acknowledges the observation regarding the ongoing civil works at the Jarkaken irrigation site and appreciates the findings highlighted during the audit field verification. The Project has taken corrective actions to address the noted design and construction issues. Specifically:*
- 1.7.2.14 *The PIU is working closely with the contractor, Eagle Construction Company, to rectify all identified defects, including cracks on the stone pitching, incomplete protection of the central canal, misalignment of the peripheral canal, and damage to the slot gates.*
- 1.7.2.15 *Design gaps are being addressed in coordination with the project engineers, and revisions have been made to the construction approach to improve the quality and functionality of the infrastructure.*
- 1.7.2.16 *The contractor has been instructed to accelerate the pace of implementation to recover lost time and complete the works within the contractually allowable period, including the Defects Notification Period.*
- 1.7.2.17 *An updated and phased work plan has been agreed with the contractor, outlining clear deliverables and timelines. This plan is being closely monitored through enhanced technical supervision and periodic site visits.*
- 1.7.2.18 *Going forward, the project is strengthening its internal oversight and monitoring framework to ensure quality control, value for money, and timely delivery of project outputs. All revisions to the work plan, progress reports, and site assessments are being properly documented for accountability and future reference.*
- 1.7.2.19 *Management remains committed to ensuring that the infrastructure is completed to the required standard and delivers the intended benefit to the project beneficiaries.*

Auditor General's Position

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

1.7.3 Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure - Pleebo (Maryland County) A and B

Criteria

- 1.7.3.1 Financing agreement, subcomponent 1.1. page 3 states "The project will support the establishment of small-scale irrigation systems for all-year-round farming – climate-smart agriculture in lowland ecologies. This activity will support the installation of at least thirty (30) small-scale systems in the ten counties.

- 1.7.3.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

Observation

- 1.7.3.3 During the audit, we observed that Management made payments totaling US\$415,236.83 (Four Hundred Fifteen Thousand, Two Hundred & Thirty-Six United States Dollars and Eighty-Three Cents) for the Rehabilitation and Stabilization of Irrigation Infrastructure in Pleebo. However, the following irregularities were noted:
- Clearing and dredging of the reservoir from the embankment to a length of approximately 35 meters was not carried out.
 - Stone pitching on all sections of the embankment remained incomplete.
 - Construction of bunds and layout at Swamp B was incomplete, deviating from the approved design.
 - Only portions of the central and peripheral canals were stone-pitched, leaving the majority of the canals without the required protection.
 - Farm plots were not properly leveled, hindering the free flow of water from the plots to the canals and main drain, thereby affecting irrigation efficiency.
 - The contractor, Kingdom Business Incorporated, received an advance payment on February 27, 2024, with a contractual completion timeline of ten (10) months, setting the expected completion date at December 2024. Additionally, the Defects Notification Period (DNP) was scheduled to end by June 2025. However, as of the time of the audit field verification on April 21, 2025, the work is ongoing, with the contractor still engaged in stone pitching works on the Central Canal and the Peripheral Canal, indicating a significant delay in meeting the agreed timelines.

Risk

- 1.7.3.4 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.7.3.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.7.3.6 Payments may be made for service not performed and value for money may be impaired.
- 1.7.3.7 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

- 1.7.3.8 Management should provide substantive justification why the civil works were not completed within approved timelines.

- 1.7.3.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the civil works and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.7.3.10 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.
- 1.7.3.11 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.
- 1.7.3.12 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

- 1.7.3.13 *Management acknowledges the audit observation and appreciates the concerns raised regarding the ongoing civil works at the Pleebo A and B irrigation sites.*
- 1.7.3.14 *In response, the Project has taken concrete steps to address the identified deficiencies and ensure that the infrastructure is completed to the required standards. Specifically:*
- 1.7.3.15 *The Project is engaging the contractor, Kingdom Business Incorporated, to correct the incomplete works, including reservoir dredging, embankment stone pitching, construction of bunds, and leveling of farm plots, in line with the approved design specifications.*
- 1.7.3.16 *The remaining sections of the central and peripheral canals are being prioritized for completion, and remedial actions are being undertaken to improve water flow and enhance irrigation efficiency. The contractor has been formally notified of the delays and has committed to an accelerated implementation schedule aimed at completing all outstanding works.*
- 1.7.3.17 *A revised work plan has been developed in consultation with the contractor and supervising engineer. This plan includes detailed deliverables and timelines and is now under close monitoring by the project team.*
- 1.7.3.18 *To improve oversight and ensure timely delivery going forward, the project has also enhanced its monitoring and evaluation mechanisms, including increased site visits, progress reporting, and technical review sessions.*

1.7.3.19 *All work plans, contractual amendments, and monitoring reports are being properly documented to support audit verification and stakeholder transparency.*

1.7.3.20 *Management remains committed to ensuring quality service delivery and the achievement of project development objectives.*

Auditor General's Position

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

1.7.4 Irregularities Associated with the Rehabilitation and Stabilization of Irrigation Infrastructure in Grand Gedeh County

Criteria

1.7.4.1 Financing agreement, subcomponent 1.1. page 3 states "The project will support the establishment of small-scale irrigation systems for all-year-round farming – climate-smart agriculture in lowland ecologies. This activity will support the installation of at least thirty (30) small-scale systems in the ten counties.

1.7.4.2 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

Observation

1.7.4.3 During the audit, we observed that Management made payments totaling US\$542,777.12 (Five Hundred Forty-Two Thousand, Seven Hundred & Seventy-Seven United States Dollars and twelve Cents) for the Rehabilitation and Stabilization of Irrigation Infrastructure in Grand Gedeh County. However, the following irregularities were noted:

- Significant cracking observed along the main drain and stone pitching work at the swamp in Grand Gedeh County.
- The reservoir constructed was not stone pitched as required.
- The majority of the stone pitching work along the central and peripheral canals remained incomplete.
- A land dispute was noted between community dwellers and the Ministry of Agriculture concerning the Work & See Swamp area. A residential structure built within the swamp is obstructing the peripheral canal flow.
- The installation of diversion boxes and slot gates remains incomplete. While twelve (12) installations are required across the field, only three had been completed at the time of the visit.
- The contractor, Advance Construction Engineering Corporation, received an advance payment on February 20, 2024, with a contractual completion timeline of ten (10) months, setting the expected completion date at December 2024.

Additionally, the Defects Notification Period (DNP) was scheduled to end by June 2025. However, as of the time of this audit field verification, the work is ongoing, with the contractor still engaged in stone pitching works on the Central Canal and the Peripheral Canal, indicating a significant delay in meeting the agreed timelines.

Risk

- 1.7.4.4 Failure of project management to ensure that services paid for are delivered in a timely manner, may lead to non-achievement of project objectives.
- 1.7.4.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.7.4.6 Payments may be made for service not performed and value for money may be impaired.
- 1.7.4.7 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

- 1.7.4.8 Management should provide substantive justification why the civil works were not completed within approved timelines.
- 1.7.4.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the civil works and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.7.4.10 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.
- 1.7.4.11 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.
- 1.7.4.12 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

- 1.7.4.13 *Management acknowledges the audit observation and appreciates the issues highlighted during the field verification of the irrigation works in Grand Gedeh County.*

- 1.7.4.14 *In response, the Project has taken corrective actions to address both technical and non-technical challenges associated with the ongoing works. Specifically:*
- 1.7.4.15 *The PIU is working closely with the contractor, Advance Construction Engineering Corporation, to remedy the observed construction defects, including significant cracking along the main drain, incomplete stone pitching, and failure to install the required number of diversion boxes and slot gates.*
- 1.7.4.16 *A technical review of the reservoir and canal design was conducted with the supervising engineer, and adjustments are being made to improve stability and ensure compliance with project specifications.*
- 1.7.4.17 *Engagements have been initiated with local community leaders and stakeholders to resolve the land dispute at the Work & See Swamp. The presence of a residential structure within the irrigation area has been flagged, and appropriate administrative steps are being taken in coordination with the Ministry of Agriculture and local authorities.*
- 1.7.4.18 *A revised and accelerated work plan has been developed, and the contractor has committed to completing all outstanding works.*
- 1.7.4.19 *Enhanced monitoring and evaluation efforts have been instituted to track implementation progress and ensure quality control. Site visits, technical inspections, and documentation of progress reports are now being conducted on a more frequent basis.*
- 1.7.4.20 *Going forward, the PIU is strengthening coordination, planning, and documentation mechanisms, including ensuring that all updated work plans, contracts, and monitoring records are properly filed and readily available for review.*
- 1.7.4.21 *Management remains fully committed to resolving all outstanding issues and ensuring the infrastructure delivers the intended benefits to the farming communities in Grand Gedeh County.*

Auditor General's Position

- 1.7.4.22 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 Prior Year Audit Issues Status

No.	Findings	Observations	Recommendation/AG Position	Status of implementation
1	1.1.10.2 Inadequate Segregation of Duties	During the audit, we observed that the existing staffing in the finance section of the project is inadequate to ensure sufficient segregation of duties. The finance section only has the project accountant who is responsible for all of the accounting and financial reporting activities of the project.	Management should facilitate the competitive hiring of additional qualified and experienced staff in the finance section to ensure appropriate segregation of duties.	Not implemented
2	1.1.11 Procurement without Delivery Notes	1.1.11.2 During the audit, we observed that Management authorized payments amounting to US\$21,808.00 for the supply of Solar Panel Systems, ICT hardware, and others without evidence of delivery notes. See Table 4 in report for details.	1.1.11.5 Management should ensure that delivery notes are received for all goods procured to validate that the goods paid for including the required specifications were delivered to the end user (the delivery note should be uniquely coded to reflect the specific transactions). 1.1.11.6 Evidence of delivery notes for all goods received should be adequately documented and filed to facilitate future review.	Not implemented
3	1.1.12 No Back-to-Office Report	1.1.12.2 During the audit, we observed that Management made payments of US\$1,200.00 to individual staff for travel. However, we observed no evidence that a Back-to-Office report was prepared upon his return. See Table 5 for details.	1.1.12.5 Management should institute and operationalize the preparation of a Back-to-Office report for all travels consistent with Section 3.4.4 of the Project Implementations Manual. The report should be submitted within a week upon the staff's return to the	Not implemented

No.	Findings	Observations	Recommendation/AG Position	Status of implementation
			office. 1.1.12.6 Evidence of Back-to-Office reports should be adequately documented and filed to facilitate future review.	
4	1.1.13 Payment without Tax Clearances/Expired Tax Clearances	1.1.13.2 During the audit, we observed that Management authorized payments amounting to US\$123,214.03 without tax clearance and expired tax clearance. See Table 6 in report for details.	1.1.13.6 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 Regulation U.9. (4) of the PFM Act of 2009 as amended and restated 2019. 1.1.13.7 Evidence of valid business registration and tax clearance certificates should be adequately documented and filed to facilitate future review.	Not implemented
5	1.1.15 Spending in Excess of Approved Procurement Plan	1.1.15.4 During the audit, we observed that Management expended more than its approved procurement plans in the amount of US\$20,000.00 to Farmington Hotel for Catering Service (PV#:447). without evidence of "no objection"/ approval from PPCC and AfDB.	1.1.15.9 Management should provide substantive justification for disbursing expenditures above the approved procurement plan without obtaining the required authorization. 1.1.15.10 Management should ensure that expenditure is within the approved procurement plan limits at all times. All unplanned procurement activities and expenditures should be subsequently submitted to the PPCC, AfDB, and National Steering Committee for approval before execution. Evidence of subsequently	Not implemented

No.	Findings	Observations	Recommendation/AG Position	Status of implementation
			approved procurement plans, approved no-objection requests and all other relevant supporting records should be adequately documented and filed to facilitate future review.	
6	1.1.14 No Monthly Budget Performance Report	1.1.14.5 During the audit, we observed no evidence of periodic Budget Performance Reports as required by the PMU Manual.	<p>1.1.14.8 Management should facilitate the preparation, review, and approval of quarterly and annual Budget Performance Reports. Periodic Budget Performance Report should be subsequently submitted to the National Project Steering Committee as required by Section 5.6.1-6 of the PMU Manual.</p> <p>1.14.9 Periodic Budget Performance Reports should be reviewed for decision-making purposes. Under receipt of revenue and/or over-disbursement of expenditures in a given quarter should trigger improved receipt of revenue and adjustment (reduction) of expenditures in subsequent quarters. Evidence of approved periodic Budget Performance Reports should be adequately documented and filed to facilitate future review.</p>	Not implemented
7	1.1.7 Warehouse not Constructed	1.1.7.2 During the audit, we observed that Management made a payment of \$9,020.21, 20% of	1.1.7.6 Management should assess the current status of the work performed, and the contractor's capacity to	Not implemented

No.	Findings	Observations	Recommendation/AG Position	Status of implementation
		<p>\$47,500.81 to a contractor on November 2, 2023, for the construction of a warehouse in Falama, Bomi County. However, during our physical verification in April 2024, we observed no evidence that a warehouse was being constructed on the designated site.</p>	<p>complete the construction of the warehouse, and update the Office of the Auditor General as part of Management's response to this Management Letter.</p> <p>1.1.7.7 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 deliverables and corresponding payments required to implement each phase of approved deliverables. The work plan should be discussed and agreed upon with the contractors and included as supplementary documentation to the approved contracts.</p> <p>1.1.7.8 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> <p>1.1.7.9 Evidence of approved work plans and contracts should be adequately documented and filed to facilitate future review.</p>	

ANNEXURES

Annexure 1: Payment Made to Third-Party

No.	Description	Voucher No.	Payee	Amount (US\$)
1	CARI-Payment for casual workers for the production of foundation seeds for Jan. & Feb. 2024-PV#601	PV#601	Arichah N. Mentar	2,860.00
2	CARI- Payment for casual workers for production of foundation & certified seeds- PV#817	PV#817	Josephine Y. Kokeh	9,352.00
3	Payment CARI- Casual workers for Production of foundation seeds for August 2024-	PV#764	Josephine Y. Kokeh	6,776.00
4	Payment of CARI- Perdiem for the distribution of planting materials & tools to outgrowers-	PV#805	Julia Diggs	9,176.00
5	CARI- payment for casual workers for the prod. of foundation & certified for December 2024- PV#837	PV#837	Josephine Y. Kokeh	9,304.00
6	CARI- Casual workers for Production of foundation seeds for July 2024	PV#763	Josephine Y. Kokeh	7,338.00
7	CARI- Payment for casual workers for Dec 2023 for the production of foundation seeds-	PV#547	Arichah N. Mentar	6,166.00
8	CARI- Payment for casual workers for the production of foundation seeds for April & May 2024	PV#697	Jerrison Dee	12,672.00
9	CARI- casual workers for the production of foundation and certified seeds for June 2024	PV#720	Josephine Y. Kokeh	6,772.00
10	Payment for Workshop on enhancing rice productivity using mutation & seed breeding for food self -Sufficiency	PV #:733	Christopher Geterminah	13, 640.00
11	Payment for casual workers & Professional -Foundation Seeds	PV#:789	Josephine Y. Kokeh	8,264.00
12	Payment for casual workers for the production of Foundation Seeds for the month of March	PV#:650	Jerrison Dee JR.	4,436.00
13	CARI- Payment for casual workers for Dec 2023 for the production of foundation seeds for the month of December 2023	PV#:547	Arichah N. Mentar	6,166.00
Total				89,282.00

Annexure 2: Irregularities Associated with Fixed Assets Management

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
1	MOA/SADFON S/NCO/LAPTO P 003	Laptop	Dell inspiron	S/N 370BZ33	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Morleeta Mendsole-Che	Good Condition	1,499.00	30-Jun-24	
2	MOA/SADFON S/NCO/LAPTO P 002	Laptop	Dell inspiron	S/N 4L1BZ33	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Mohamed L. Kamara	Good Condition	1,499.00	30-Jun-24	
3	MOA/SADFON S/NCO/LAPTO P 001	Laptop	Dell inspiron	S/N 3RRYZ33	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Mbakai Varpila Woyee	Good Condition	1,499.00	30-Jun-24	
4	MOA/SADFON S/NCO/LAPTO P 006	Laptop	Dell inspiron	S/N 42KB373	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Store room	Faulty	1,499.00	30-Jun-24	Battery Issues
5	MOA/SADFON S/NCO/LAPTO P 005	Laptop	Dell inspiron	S/N HOCB373	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Store room	Fair	1,499.00	30-Jun-24	
6	MOA/SADFON S/NCO/LAPTO P 004	Laptop	Dell inspiron	S/N 9ZP8Z33	17-Jan-22	0075/ Office Ideas	National Coordinating Office	Jlopleh Dennis Wiagbe Jr.	Fair	1,499.00	30-Jun-24	
7	MOA/SADFON S/NCO/LAPTO	Laptop	Dell inspiron	S/N JDQDZ33	24-May-22	9336/ Office	National Coordinating Office	Store room	Faulty	1,499.00	30-Jun-24	

Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
	P 007					Ideas	Office				24	
8	MOA/SADFON S/NCO/LAPTO P 008	Laptop	Dell inspiron	S/N H8T9Z33	24-May-22	9336/ Office Ideas	National Coordinating Office	Cleopatra Gibson-Jallay	Good Condition	1,499.00	30-Jun-24	
9	MOA/SADFON S/NCO/LAPTO P 009	Laptop	Dell inspiron	S/N 7M52373	24-May-22	9336/ Office Ideas	National Coordinating Office	Store room	Faulty	1,499.00	30-Jun-24	Battery Issues
10	MOA/SADFON S/NCO/LAPTO P 010	Laptop	Dell inspiron	S/N 4T92373	24-May-22	9336/ Office Ideas	National Coordinating Office	Store room	Faulty	1,499.00	30-Jun-24	Battery Issues
19	MOA/SADFON S/NCO/LAPTO P 011	Laptop	Acer	NXKN1AA0 013210E4 A2N00	16-Mar-24	9336/ Office Ideas	CARI	Joseph S. Woah	Brand New	1,010.00	13-Jun-24	
20	MOA/SADFON S/NCO/LAPTO P 012	Laptop	Acer	NXKN1AA0 0132105D ED2N00	16-Mar-24	9336/ Office Ideas	CARI	Jerrison Dee	Brand New	1,010.00	13-Jun-24	
21	MOA/SADFON S/NCO/LAPTO P 013	Laptop	Acer	NXKN1AA0 0132105E2 82N00	16-Mar-24	9336/ Office Ideas	CARI	Anthon y Tarplah	Brand New	1,010.00	13-Jun-24	
26	MOA/SADFON S/NCO/LAPTO P 014	Laptop	HP	8CG4070Z 8G	21-Nov	LIB AAK	National coordinating office	Jlopleh Dennis Wiagbe Jr.	Brand New	1,395.00	21-Nov-24	
29	MOA/SADFON S/NCO/LAPTO	Laptop	HP	8CG11146 M	21-Nov	LIB AAK	National coordinating	David M.	Brand New	1,395.00	21-Nov	



Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
	P 015						office	Mulbah			24	
33	MOA/SADFON S/NCO/LAPTO P 016	Laptop	HP	8CG40937 ZY	21-Nov	LIB AAK	National coordinating office	Mohamed L. Kamara	Brand New	1,395.00	21-Nov-24	
36	MOA/SADFON S/NCO/LAPTO P 017	Laptop	HP	8CG4100K BM	21-Nov	LIB AAK	National coordinating office	Reuben Sivili	Brand New	1,395.00	21-Nov-24	
40	MOA/SADFON S/NCO/LAPTO P 018	Laptop	HP	8CG3381M HH	21-Nov	LIB AAK	National coordinating office	Menso n G. Kwanwah	Brand New	1,395.00	21-Nov-24	
43	MOA/SADFON S/NCO/LAPTO P 019	Laptop	HP	8CG4100K NJ	21-Nov	LIB AAK	National coordinating office	Bob V. Fassah	Brand New	1,395.00	21-Nov-24	
46	MOA/SADFON S/NCO/LAPTO P 020	Laptop	HP	8CG40925 LJ	21-Nov	LIB AAK	National coordinating office	Store room	Brand New	1,395.00	21-Nov-24	
50	MOA/SADFON S/NCO/LAPTO P 021	Laptop	HP	8CG4092V NS	21-Nov	LIB AAK	National coordinating office	Aagon N. Yoko	Brand New	1,395.00	21-Nov-24	
53	MOA/SADFON S/NCO/LAPTO P 022	Laptop	HP	8CG4100K FF	21-Nov	LIB AAK	National coordinating office	Store room	Brand New	1,395.00	21-Nov-24	
57	MOA/SADFON S/NCO/LAPTO P 023	Laptop	HP	8CG41230 3H	21-Nov	LIB AAK	National coordinating office	Store room	Brand New	1,395.00	21-Nov-24	
11	MOA/SADFON	Printer	HP Color	CNVMM78	17-Jan-22	0075/	National	Bob V.	Good		30-	



Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
	S/NCO/PRINTER 001		Laserjet Pro MFP M479	38C		Office Ideas	Coordinating Office	Fassah	Condition	975.00	Jun-24	
22	MOA/SADFON S/NCO/PRINTER 002	Printer	HP Color Laserjet Pro MFP M479dw	CNCRQBD 0FY	16-Mar-24	0075/Office Ideas	CARI	Joseph S. Woah	Brand New	975.00	13-Jun-24	
12	GSA-MOA-03-7	Vehicle	Toyota Prado	JTEBD9FJ3 0K025931	18-Mar-22	1063/United Motor Company	National Coordinating Office	Francis Hney	Good Condition	48,000.00	30-Jun-24	
13	GSA-MOA-05-6	Vehicle	Toyota Hilux Pickup	AHTDK9CD 900975288	4-Apr-22	1076/United Motor Company	National Coordinating Office	Francis Jla	Good Condition	37,650.00	30-Jun-24	
14	GSA-MOA-03-12	Vehicle	Toyota Land Cruiser Hard Top SUV4X4	JTEEB71J7 0F017158	18-Jun-22	1102/United Motor Company	National Coordinating Office	Abraham Massaly	Good Condition	47,100.00	30-Jun-24	
15	GSA-MOA-03-11	Vehicle	Toyota Land Cruiser Hard Top SUV4X5	JTEEB71J5 0F017157	18-Jun-22	1102/United Motor Company	National Coordinating Office	Sunday boy Washington	Good Condition	47,100.00	30-Jun-24	



Management Letter on the Financial Statement
 Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
 For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
16	MOA/SADFON S/NCO/ A/C 001	Air Conditioner	Elite	N/A	24-May-22	9336/Office Ideas	National Coordinating Office	Project Coordinator Office	Good Condition	650.00	30-Jun-24	
17	MOA/SADFON S/NCO/ A/C 002	Air Conditioner	Elite	N/A	24-May-22	9336/Office Ideas	National Coordinating Office	Finance Office	Good Condition	650.00	30-Jun-24	
18	MOA/SADFON S/NCO/ A/C 003	Air Conditioner	Midea	N/A	24-May-22	9336/Office Ideas	National Coordinating Office	Main Office	Good Condition	1,450.00	30-Jun-24	
24	MOA/SADFON S/NCO/ A/C 004	Air Conditioner	Elite	931115018 826526	16-Mar-24	10229/Office Ideas	CARI	Seed Laboratory	Brand New	279.00	13-Jun-24	
25	MOA/SADFON S/NCO/ A/C 005	Air Conditioner	Elite	931115011 226526	16-Mar-24	10229/Office Ideas	CARI	Seed Laboratory	Brand New	279.00	13-Jun-24	
26	MOA/SADFON S/NCO/ A/C 006	Air Conditioner	Elite	931115011 526526	16-Mar-24	10229/Office Ideas	CARI	Seed Laboratory	Brand New	279.00	13-Jun-24	
27	MOA/SADFON S/NCO/ A/C 007	Air Conditioner	Elite	931115016 926526	16-Mar-24	10229/Office Ideas	CARI	Seed Laboratory	Brand New	279.00	13-Jun-24	
23	MOA/SADFON S/NCO/PROJE CTOR 001	Projector	Acer	MRJR7110 05150000C 55910	16-Mar-24	10229/Office Ideas	CARI	Joseph S. Woah	Brand New	550.00	13-Jun-24	
28	MOA/SADFON S/NCO/Camer	Camera	Canon Camera		25-May-23	9336/Office	National Coordinating	Mbakai	Good Condition	900.00	13-Jun-	



Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
	a/001		EOS 200D			Ideas	Office	Varpila h	on		24	
29	MOA/SADFON S/NCO/Camera/002	Camera	Canon Came 1XUS 160	6326005448	25-May-23	9336/Office Ideas	CARI	Joseph S. Woah	Good Condition	295.00	13-Jun-24	
30	N/A	Executive Office Chair	Executive Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	140.00	25-Apr-24	To be coded
31	N/A	Executive Office Chair	Executive Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	140.00	25-Apr-24	To be coded
32	N/A	Executive Office Chair	Executive Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	140.00	25-Apr-24	To be coded
33	N/A	Executive Desk	Executive Desk	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	395.00	25-Apr-24	To be coded
34	N/A	Executive Desk	Executive Desk	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	395.00	25-Apr-24	To be coded
35	N/A	Executive Desk	Executive Desk	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	395.00	25-Apr-24	To be coded
36	N/A	Visitor Chair	Visitor Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	30.00	25-Apr-24	To be coded



Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
37	N/A	Visitor Chair	Visitor Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	30.00	25-Apr-24	To be coded
38	N/A	Visitor Chair	Visitor Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	30.00	25-Apr-24	To be coded
39	N/A	Visitor Chair	Visitor Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	30.00	25-Apr-24	To be coded
40	N/A	Office desk	Office desk	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	115.00	25-Apr-24	To be coded
41	N/A	Office desk	Office desk	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	115.00	25-Apr-24	To be coded
42	N/A	Conference Table	Conference Table	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	375.00	25-Apr-24	To be coded
43	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
44	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
45	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded



Management Letter on the Financial Statement
 Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
 For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
46	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
47	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
48	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
49	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
50	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
51	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
52	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
53	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
54	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded



Management Letter on the Financial Statement
 Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
 For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
55	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
56	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
57	N/A	Office Chair	Office Chair	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
58	N/A	Air Conditioner	Elite-Pro 1200BTU	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	320.00	25-Apr-24	To be coded
59	N/A	Air Conditioner	Elite-Pro 900BTU	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	285.00	25-Apr-24	To be coded
60	N/A	Air Conditioner	Elite-Pro 900BTU	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	285.00	25-Apr-24	To be coded
61	N/A	Projector	Aaxa Pico Projector	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	375.00	25-Apr-24	To be coded
62	N/A	Projector Screen	Projector Screens	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New	110.00	25-Apr-24	To be coded
63	N/A	Mini Ice	Mini Ice	N/A	22-Nov-24	10697/Office Ideas	CARI	CARI	Brand New		25-Apr-24	To be coded



Management Letter on the Financial Statement
Audit of Smallholder Agriculture Development for Food & Nutrition Security (SADFONS) Project
For the Year-end December 31, 2024

S/N	Asset Code	Item	Description	Serial Number	Acquisition/Installation Date	Invoice No./Supplier Name	Location	User Name	Asset Status	Acquisition Value in US\$	Date Verified	Comments
		Box	Box		24	Office Ideas			New	155.00	Apr-24	coded

