



Management Letter

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

For the year ended December 31, 2024



Promoting Accountability of Public Resources

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

Monrovia, Liberia
May 2025

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ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
FCCA	Fellow Member of the Association of Chartered Certified Accountant
CSC	County Steering Committee
GoL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
MOYS	Ministry of Youth and Sports
No.	Number
PDO	Project Development Objectives
PFM	Project Financial Manual
POM	Project Operational Manual
PMT	Project Management Team
ToR	Term of Reference
US\$	United States Dollars

June 25, 2025

Hon. Jeror Cole Bangalu

Minister

Ministry of Youth and Sports

Samuel Kanyon Doe Sports Complex

Monrovia, Liberia

Dear Hon. Bangalu:

Re: Management Letter on the Audit of the Recovery of Economic Activity for Liberia Informal Sector Employment Project (REALISEP) for year ended December 31, 2024

The Audit of the Financial Records of the Recovery of Economic Activity for Liberia Informal Sector Employment Project (REALISEP) for the year ended December 31, 2024 was commissioned by the Auditor-General (AG) under AG's mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

Introduction

The REALISE Project account is managed by the Minister of Finance in terms of the Grant agreement as of February 12, 2021.

The objective of the audit were to express professional opinion on the REALISE Project Financial Reports for the year ended December 31, 2024, as submitted to the World Bank and express an audit opinion according to Cash Basis International Public Sector Accounting Standards (IPSAS) promulgated by International Federation of Accountants (IFAC), whether the Financial Reports of the Liberia Integrated Public Financial Management Reform Project submitted to the Bank are in accordance with the Project Financial Management Unit's (PFMU) policies and World Bank requirement for financial reporting".

Audit Scope and Methodology

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) as well as the Engagement (Audit) Terms of Reference. These standards require that we plan and perform the audit so as to obtain reasonable assurance whether the REALISE Project's financial statements and related records are free of material misstatements due to errors or fraud and comply with ethical requirements.

In planning and performing the audit, we considered the REALISE Project internal controls over financial reporting that were considered to be significant deficiencies. Significant deficiencies involve matters coming to our attention relating to deficiencies in the design or operation of internal control over financial reporting that, in our judgment could adversely affect the REALISE Project's ability to initiate, authorize, record, process and report financial data reliably in accordance with the International Financial Reporting Standards, Cash Basis and the World Bank financial reporting framework.

Towards this end, we reviewed the Grant agreement, business and the control environment of the REALISE Project through which risks of material misstatements affecting its operations were assessed using a risk-based approach. Audit procedures considered necessary were thus pursued to address the risks identified within REALISE Project's operations.

Limitation of Responsibility

We reviewed the systems and management controls operated by the REALISE Project only to the extent we considered necessary for the effective performance of this audit. As a result, our review may not have detected all weaknesses that existed or all improvements that could have been made.

The responsibility to put in place effective systems and controls for the prevention and detection of fraud, error and non-compliance with applicable accounting standards, laws and regulations and policies is the duty of the REALISE Project.

Our responsibility under AG's mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR) is to provide certification on the REALISE Project's financial statements and related records based on the outcome of our examination of the financial statements and related records.

KEY MANAGEMENT PERSONNEL

No.	Name	Position	Tenure
1	Hon. Jeror Cole Bangalu	Minister - MYS	2024 - Present
2.	Papin Daniels	Unit Director - PFMU	2017 - Present
3.	Leroy N. Fendor	Deputy Director - PFMU	2017 - Present
4.	Subozu Kollie	Project Internal Auditor	2014 - Present
5.	Jessie H. Bengu	Project Coordinator	2021 - Present
6.	Deniece Gardiner	Project Accountant	2021 - Present

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Recovery of Economic Activity for Liberia Informal Sector Employment Project (REALISEP) Management Team and other individuals who contributed to success of this Audit. The audit findings which were identified during the course of the audit are included.

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 Approved Organogram

Criteria

- 1.1.1.1 The Committee of Sponsoring Organizations (COSO) of the Treadway Commission Framework requires Board's oversight responsibilities including providing advice and direction to management, constructively challenging management, approving policies and transactions, and monitoring management's activities. Consequently, the board of directors is an important element of internal control. The board and senior management establish the tone for the organization concerning the importance of internal control and the expected standards of conduct across the entity.

Observation

- 1.1.1.2 During the audit, we observed no evidence of an approved organogram showcasing approved hierarchical structure/chain of command of the project and line of reporting.

Risk

- 1.1.1.3 The concepts of segregation of duties and checks and balances may not be achieved which may impair effective coordination, reporting and the operations of the project.
- 1.1.1.4 A clearly defined reporting structure may not be established thereby impairing segregation of duties and checks and balances.

Recommendation

- 1.1.1.5 Management should develop, approve and operationalize an organogram that details established hierarchical structure, clearly defined reporting channels and authorities and responsibilities within the project. The approved organogram should be reflective of the current operations and practices at the project level. Evidence of approved organogram should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.6 *Management acknowledges the observation regarding the absence of an approved organogram and the potential risks associated with undefined reporting structures. Management commits to developing, approving, and implementing a formal organogram that clearly delineates hierarchical structure, reporting channels, and roles and responsibilities within the project. As part of this initiative, an organogram development has already been developed in consultation with relevant stakeholders to ensure alignment with project objectives pending approval.*

Auditor General's Position

- 1.1.1.7 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 Budget Management

1.2.1 Variance between Budget per Financial Statements and Approved Recast Budget

Criteria

- 1.2.1.1 Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019, states that "A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency".

Observation

- 1.2.1.2 During the audit, we observed that the approved budget amount per Financial Statements did not reconcile with the approved recast budget amount, resulting in a variance of US\$12,994,163.88. **See Table 1 below for details:**

Table 1: Variance between Budget per Financial Statements and Approved Recast Budget

Budget Amount per Financial Statements US\$ A	Budget Amount per Approved Recast Budget US\$ B	Variance US\$ C = (A-B)
21,341,000	8,346,836.12	12,994,163.88

Risk

- 1.2.1.3 The completeness and accuracy of revenues and expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.2.1.4 Revenue and expenditures may be misstated.

Recommendation

- 1.2.1.5 Management should fully account for the variance between the approved budget per the financial statements and the approved recast budget, and adjust the financial statements accordingly. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.2.1.6 Going forward, Management should conduct periodic reconciliation between the approved budget per financial statements and the approved (recast) budget. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and file to facilitate future review.
- 1.2.1.7 Financial statements should be prepared and reviewed by personnel with the relevant qualifications, experience and seniority to facilitate adequate preparation of the financial statements.

Management's Response

- 1.2.1.8 *Management acknowledges the observation regarding the variance between the recast budget and expenditure which was due to the delay in the approval processes at the implementing agency. Specifically the, Social Cash Transfer (SCT) beneficiaries' payroll which constitutes up to 80% of the variance experienced delay, thus causing the implementation of this activity to be moved to 2025. However, the recommendation is noted and the recast budget has been reflected in the revised financial for the auditor's review. Kindly note however that, our financial statements are always prepared by qualified, competent and experienced personnel. **See attached Exhibit I: Revised Financial Statement).***

Auditor General's Position

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

1.3 Financial Reporting

1.3.1 Non-Explanation of Material Variances

Criteria

- 1.3.1.1 Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017) provides that an entity that makes publicly available its approved budget(s) shall present a comparison of the budget amount for which it is held publicly accountable and actual amounts either as a separate additional financial statement of an additional budget columns in the statement of cash receipts and payments. The comparison of budget and actual amount shall present separately for each level of legislative oversight:
- By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and cross reference to those documents is made in the notes.
- 1.3.1.2 Additionally, paragraph 1.7.12 of the Revised Cash Basis IPSAS (2017) provides that an explanation of the material differences between actual amounts and the budget amounts will assist users in understanding the reasons for material departure from the approved budget for which the entity is held accountable.
- 1.3.1.3 The Project Financial Statements include a Statement of Comparison of Budget and Actual amount which shows material variances. However, the statement did not include notes for the explanation of the material variances.

Observation

- 1.3.1.4 During the audit, we observed that Management did not include explanatory notes to the financial statements on the material variances between the budget and actual amounts.

See Table 2 below for details:

Table 2: Non-Explanation of Material Variances

Comparison of Budget and Actual Amounts for the Year Ended December 31, 2024				
Activities Within Components	Project Allocation US\$ A	Budget US\$ B	Actual US\$ C	Variance US\$ D = (B-C)
Grant Support Vulnerable Household to Review or Star Small Business	4,600,000.00	3,542,027.00	3,292,628.00	249,399.00
Temporary Employment Support and Employability Development for Vulnerable Workers	6,000,000.00	3,309,708.00	1,225,674.00	2,084,034.00
Capacity Building and Project Implementation and Coordination	5,196,361.00	3,844,215.00	1,568,462.00	2,275,753.00
Community Livelihood and Agriculture Support	12,273,948.00	1,423,087.00	426,711.00	996,376.00
Social Cash Transfer and Strengthening of the National Social Protection System	16,500,000.00	9,221,964.00	595,445.00	8,626,519.00
TOTAL	44,570,309.00	21,341,001.00	7,108,920.00	14,232,081.00

Risk

- 1.3.1.5 Failure to include notes or explanation for material variances between budgetary and actual amounts in the financial statements may deny users of the financial statements' information needed to make informed decisions.
- 1.3.1.6 Fair presentation and full disclosure may be impaired.

Recommendation

- 1.3.1.7 Management should adjust the financial statements and include in the notes to the financial statements explanations for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017). The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.1.8 Going forward, Management should ensure that full and adequate disclosures are made for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017).

Management's Response

- 1.3.1.9 *The variances being referenced resulted mainly from the recast budget and approval delays for the implementation of some key activities during the financial year. However, the financial statements have been revised to reflect the changes made.*

Auditor General's Position

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

1.3.2 Missclassification of Transactions in the General Ledger/Drilldown

Criteria

- 1.3.2.1 Paragraph 1.3.0 of the IPSAS Cash Basis of Accounting requires that the Statement of Cash Receipts and Payments present the following amounts for the reporting period: (a) Total cash receipts of the entity showing separately a sub classification of total cash receipts using a classification basis appropriate to the entity's operations; (b) Total cash payments of the entity showing separately a sub classification of total cash payments using a classification basis appropriate to the entity's operations; and (c) Beginning and closing cash balances of the entity.

Observation

- 1.3.2.2 During the audit, we observed that expenditures amounting to US\$6,817.50 for Ministry of Gender, Children and Social Protection-Recovery of Economic Activity for Liberia Informal Sector Employment and Liberia Agency and Community Empowerment-Recovery of Economic Activity for Liberia Informal Sector Employment were incorrectly posted to Ministry of Youths Sports-Recovery of Economic Activity for Liberia Informal Sector Employment program ledgers. **See Table 3 below for details:**

Table 3a: Missclassification of Transactions in the General Ledger/Drilldown

Capacity Building and Project Implementation and Coordination for MYS			
Date	Voucher #	Description	Amount US\$
7/31/2024	LACE/JV/012	J. T. Godu tax on salary	1,250.00
7/31/2024	LACE/JV/012	D. Gardiner tax on salary	1,387.50
7/31/2024	LACE/JV/012	M. Nasser tax on salary	1,925.00
7/31/2024	LACE/JV/012	A. Sanda tax on salary	1,155.00
7/31/2024	LACE/JV/012	S. Cisco tax on salary	250.00
12/31/2024	LACE/JV/017	Servicing of Equip	15.00
12/31/2024	LACE/JV/017	Stationery and Printing	62.50
12/31/2024	LACE/JV/017	Utilities	401.44
12/31/2024	LACE/JV/017	Office Supplies	80.06
12/31/2024	LACE/JV/017	Refreshment	185.00
12/31/2024	LACE/JV/017	Transportation	106.00
TOTAL			6,817.50

- 1.3.2.3 Additionally, we observed from the drill down/general ledger that transactions amounting to US\$8,360.00 paid to the National Identification Registry (NIR) were misclassified under the 'Capacity Building Project Implementation and Coordination' instead of the appropriate accounts: Temporary Employment Support and Employability Development for Vulnerable Workers. **See Table 4 below for details:**

Table 3b: Missclassification of Transactions in the General Ledger/Drilldown

MINISTRY	Date	Voucher #	Description	Amount US\$
LACE	17/29/2024	2024/030	National Identification Registry (NIR	2,360.00
MGCSP	5/24/2024	2024/020	Printing of NIR cards: NIR	6,000.00
TOTAL				

Risk

- 1.3.2.4 Misclassification of transactions may result in improper reconciliation of budget verses actual analysis.
- 1.3.2.5 Misclassification of expenditures may facilitate fraudulent financial reporting especially if the preparer of the financial statements intends to conceal over/under utilization of expenditures.

Recommendation

- 1.3.2.6 Management should adjust the financial statements to correct the misclassifications cataloged in Tables 3a and 3b above. Evidence of the adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.2.7 Going forward, Management should facilitate routine training on data entry posting and classification of transactions for junior staff.
- 1.3.2.8 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. Subsequently, an automated linkage should be created among the general ledger, the trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.3.2.9 *These transactions have been reversed in the revised financial statements.*

Auditor General's Position

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

1.3.3 Inconsistency in the Classification Scheme for Financial Reporting

Criteria

- 1.3.3.1 Section 36(1) of PFM Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

Observation

- 1.3.3.2 During the audit, we observed that the drilldown ledger, trial balance and the financial statements were prepared using programmatic classifications. However, we observed no evidence of a reconciliation between the programmatic and economic classifications, or the makeup of the programmatic classifications disclosed in the notes to the financial statements.

Risk

- 1.3.3.3 Effective review and reconciliation of financial transactions and statements may be impaired.
- 1.3.3.4 Fair presentation and full disclosure of the financial statements may be impaired.

Recommendation

- 1.3.3.5 Management should adjust the financial statements to include in the notes to the financial statements a reconciliation between the programmatic classification and the economic classification or at least disclose a detailed composition of each programmatic classification utilized in the preparation of the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.3.3.6 Going forward, 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 Trial Balance. subsequently, an automated linkage should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.3.3.7 Management should also include in the notes to the financial statements a reconciliation between the programmatic classification and the economic classification or at least disclose a detailed composition of each programmatic classification utilized in the preparation of the financial statements.

Management's Response

- 1.3.3.8 *We take note of the auditor's findings and recommendations and have revised the financial statement for the auditor's review. **See attached Revised Financial Statements.***

Auditor General's Position

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

1.4 Cash Management

1.4.1 Irregularities Associated with Mobile Money Account

Criteria

- 1.4.1.1 Regulation R.3 (6) of the PFM Act of 2009 as amended and restated 2019 states: "the balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or reference to the date and number thereof".
- 1.4.1.2 Section R.3 (1) of the PFM Act of 2009 as amended and restated 2019 states: "When ordering the opening of a bank account for a Ministry or a Government Agency, the Comptroller-General under instruction from the Minister, shall communicate to the bank and the head of government agency, the conditions under which the account will be operated, which shall include: (a) Prohibition of overdraft on the bank account; (b) A requirement that all Checks shall be signed by at least two officers, (c) No officer shall sign any check which has not been fully completed in all respects. (d) Names and specimen signatures of officers authorized to sign Checks on the bank account; and (e) A requirement for the Bank to provide the Head of Government Agency with monthly bank statements on the account".
- 1.4.1.3 Further, Regulation R.3 (4) of the PFM Act of 2009 as amended and restated 2019 states: "Any public officer who opens or operates any Bank Account for a Government Agency, which is not authorized by the Comptroller-General is in breach of financial discipline as defined in sub regulation 20(1)".

Observation

- 1.4.1.4 During the audit, we observed the following irregularities associated with the mobile money account:
- Reconciliation statements were not prepared for mobile money account for the period under audit;
 - The closing balance of the project mobile money account of US\$1,912,390.35 was not included as part of the closing cash balance reported in the financial statements for the period. **See Table 5 below for details:**

Table 5: Irregularities Associated With Mobile Money Account

No.	Bank Name	Account Title	Account Number	Balance	US\$
1	LONESTAR MOBILE MONEY USD	REALISE MOMO Account	231-555-813-504	1,912,390.35	

Risk

- 1.4.1.5 The non-inclusion of the mobile money account balance as a part of the closing cash balance reported in the financial statements may lead to misstatement of the financial statements. This may facilitate fraudulent financial management practices, misappropriation and/or fraud.

- 1.4.1.6 Fair presentation, and full disclosure of the financial statements may be impaired.
- 1.4.1.7 Management may not fully account for all cash balances of the project.
- 1.4.1.8 Failure to prepare monthly reconciliation statements for mobile money account may lead to untimely detection of errors or omissions and fraud.

Recommendation

- 1.4.1.9 Management should adjust the financial statements to include the mobile money closing account balance as part of the closing cash balance reported on the face and in the notes to the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.4.1.10 Going forward, Management should develop, approve and operationalize a policy to regulate the management and operation of all mobile money accounts. The policy should include provisions for maximum balance to be domiciled in the mobile money account, the nature of transactions to be processed through the mobile money account, processes over approval for withdrawals and the relevant supporting documentations to be processed and maintained per transaction.
- 1.4.1.11 Management should facilitate the preparation of monthly reconciliation statements for all mobile money accounts. Variances identified should be investigated and resolved where applicable in a timely manner.
- 1.4.1.12 Evidence of approved policy and monthly reconciliation statements should be adequately documented and filed to facilitate future review.
- 1.4.1.13 Management should include all mobile money closing account balances as part of the closing cash balance reported on the face and in the notes to the financial statements.

Management's Response

- 1.4.1.14 *We acknowledge the observation and want to inform the GAC that prior period reconciliations are at the advance stage and will be shared once completed. Management has also instituted monthly reconciliation. Also, we have revised the financial statements and have adjusted the financial statements to include the mobile money closing account balance as part of the closing cash balance reported on the face and in the notes to the financial statements.*

Auditor General's Position

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

1.5 Personnel Management

1.5.1 Non-Withholding and Remittance of Social Security's Contributions

Criteria

- 1.5.1.1 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."
- 1.5.1.2 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).
- 1.5.1.3 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

- 1.5.1.4 During the audit, we observed no evidence of payment receipts for remittance of employees' and employer's contributions for contractors made to NASSCORP for the period under audit.

Risk

- 1.5.1.5 Management may be non-compliant with NASSCORP General Regulations of 2018 which may result to penalties and fines.
- 1.5.1.6 Potential retirees of the project may be denied required pension benefits due to non-compliance with the Regulation.

- 1.5.1.7 The completeness and accuracy of social security contributions for employees/contractors may be misstated. This may lead to inaccurate computation of employees' social security benefits.

Recommendation

- 1.5.1.8 Management should provide substantive justification for not withholding and remitting social security's contributions as required.
- 1.5.1.9 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).
- 1.5.1.10 Going forward, Management should facilitate full payment of employees and employer's contributions to NASSCORP on a consistent and timely basis.
- 1.5.1.11 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.
- 1.5.1.12 Monthly remittance of social security's contributions should be accompanied by a listing of employees and their social security numbers for ease of allocation to employees' social security accounts respectively.
- 1.5.1.13 Evidence of remittances of monthly social security contribution and all relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

- 1.5.1.14 *The REALISE project staff, like staff of all other World Bank financed projects, are short-term consultants and not employees who are contracted on composite salaries for the duration of the project (usually 2-5 years). They are not civil servants, and as such are not entitled to social security benefits. So, payment of any contribution to NASSCORP must be reflected in the project documents during design.*

Auditor General's Position

- 1.5.1.15 Management's assertion 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 staff 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.

1.6 Procurement Management

1.6.1 Third-Party Payments made to Staffer of the Project

Criteria

- 1.6.1.1 Regulation B.28 of the PFM Act of 2009 as amended and restated 2019 states that "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

- 1.6.1.2 During the audit, we observed that Management made third-party payment of US\$1,200.00 to a staff of the project rather than making direct payment to service providers or their legally authorized representatives. **See Table 9 below for details:**

Table 9: Third-Party Payments made to Staffer of the Project

No.	Date	PV No.	Payee	Description	Amount US\$
1	6/6/2024	2024/024	Anita Marshall	Payment for hall rental	1,200.00

Risk

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

Recommendation

- 1.6.1.5 Management should initiate and complete all procurement processes as required by the PPC and the Public Financial Management Acts.
- 1.6.1.6 All payments for goods and services procured by the project should be made directly to the vendors or their legally authorized representative.
- 1.6.1.7 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

- 1.6.1.8 *Management acknowledges the observation and notes that payments for travel and some unique program related expenses to remote parts of the country, are best accounted for using advance payment methods. Staff are required to provide liquidation reports upon completion of the travel according to GOL travel ordinance. It is important to note that businesses in these remote areas require cash payment only.*

Auditor General's Position

- 1.6.1.9 Management's assertion did not adequately address the issue raised. Management

issuance of checks to staff for subsequent disbursement to vendors is non-compliant to Regulation B.28 of the PFM Act of 2009 as amended and restated 2019. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.7 Fixed Assets Management

1.7.1 Irregularities Associated with Fixed Assets Management

Criteria

- 1.7.1.1 Regulation V.4 of the PFM Act of 2009 as amended and restated 2019 states" (1) Furniture, and equipment issued for Government quarters or offices or vehicle and other fixed assets shall be brought on a master inventory of the Government Agency. (2) The master inventory shall record under each category of item: (a) the date and other details of the voucher or other document on which the items were received or issued; (b) their serial numbers where appropriate; and (c) their distribution to individual locations and the total quantity held. (3) In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location. (4) The dates and other details of all receipts and issue of items to or from the location shall be recorded on both copies of the inventory as they occur. (5) The initial entries and all other entries made later on both copies of the inventory shall be validated by the signature of the officer having the use of the items, or where there is more than one officer, the most senior of them.

Observation

- 1.7.1.2 During the audit, we observed the following irregularities associated with the project's Fixed Assets Management System:
- No evidence of a fixed assets management policy;
 - The fixed assets register did not contain all the relevant columns;
 - The fixed assets register was not regularly updated;
 - No evidence of history of disposal of assets;
 - No evidence of movement of assets form;
 - Fixed assets within a given vicinity were not displayed as required by the PFM Act.

Risk

- 1.7.1.3 Fixed Assets may be misstated (Over/understated).
- 1.7.1.4 Fixed Assets may be damaged or impaired but their values are still on the books.
- 1.7.1.5 Fixed Assets may be removed from the project's premises without authorization, misappropriated, subjected to personal use or theft.

1.7.1.6 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.

1.7.1.7 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

1.7.1.8 Management should develop, approve and operationalize a fixed asset management policy to regulate fixed assets activities of the project.

1.7.1.9 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.

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

1.7.1.11 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

1.7.1.12 *Management acknowledges the observation and will like to point that the project team relied on the project operational manual (Chapter 11.510 page 136-137) for assets management which prescribe the minimum columns and other issues related to accounting for assets. Management considers the recommendation and will implement as a way of adding value to fixed assets management. Additionally, there were no disposal of assets for the period under review. All assets were in good condition hence there was no need for a disposal record. Kindly find attached the updated fixed assets register for your record. **(See attached Exhibit III: Updated Fixed Assets Register).***

Auditor General's Position

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

1.8 Inventory Management

1.8.1 Irregularities Associated with Storeroom Management System

Criteria

1.8.1.1 Regulation U.7 (2) of the PFM Act of 2009 as amended and restated 2019 requires that notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of government inventories held within the Government Agency and

for the due performance of the duties of subordinate staff in relation to the government inventories.

Observation

1.8.1.2 During the audit, we observed the following irregularities associated with the storeroom management system:

- No evidence of approved policy to regulate storeroom management of the project.
- Inventories were systematically arranged on shelves in the warehouse but were not comprehensively labelled.
- No evidence of manual or automated inventory management system comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies (where applicable).
- No evidence of periodic physical verification of inventories/stock take.

Risk

1.8.1.3 Inventories may be procured, stored, distributed and reported on a discretionary basis in the absence of a policy.

1.8.1.4 Inventories may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.

1.8.1.5 Inventories may be misappropriated leading to decline in operational activities.

Recommendation

1.8.1.6 Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the project. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationeries & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationeries and supplies.

1.8.1.7 Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

1.8.1.8 Inventories should be systematically arranged on shelves, comprehensively and systematically labelled to facilitate effective monitoring, evaluation and recording of inventories.

- 1.8.1.9 Management should perform periodic physical verification of inventories and review of systems and records. Appropriate adjustments should be made where applicable.
- 1.8.1.10 Evidence of approved policy, and all other inventory records including records of periodic stock takes, should be adequately documented and filed to facilitate future review.

Management's Response

- 1.8.1.11 *Management acknowledges the observation and will implement as per the recommendations. It is worth noting that the inventory items on shelves are now labeled, bin cards are now ready for printing, Management have approved a semiautomated inventory management system, concluded physical inventory of the storeroom and intends to conduct it periodically.*

Auditor General's Position

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

2 STATUSES ON THE IMPLEMENTATION OF PRIOR YEAR AUDIT RECOMMENDATION

Recommendations conveyed during financial statement audit of the Recovery of Economic Activity for Liberia Informal Sector Employment Project for the period ended January 1 2023 to December 31, 2023 as indicated below:

No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
1	<p>Lack of Signing Date of the Financial Statements</p> <p>During the audit, we observed that Management did not indicate the date of approval on the financial statements. As the result of the omission of approval dates on the financial statements, we could not ascertain the timely preparation of the financial statements.</p>	<p>This was inadvertently done and has now been corrected. (See attached Exhibit I: Revised Financial Statements).</p>	<p>We acknowledge Management's acceptance of our findings, recommendations and subsequent adjustments of the financial statements.</p>	Implemented
2	<p>Wrong Transaction Reference on Payment Vouchers</p> <p>During the audit, we observed that payments amounting to US\$48,504.80 made to staffers of the project did not have the name of the programs MYS-REALISEP, LACE-REALISEP and MGCSP-REALISEP on the voucher but rather MYS-YOP and LACE-YOP.</p>	<p>The payment vouchers processed by the PFMU are uniquely numbered with the project initials attached to each number. In this instance, this was an error and it has since been corrected. However, we believe that this cannot lead to any fraudulent transactions as asserted by the audit team. (See attached Exhibit II: Revised Payment Vouchers).</p>	<p>We acknowledge Management's acceptance of our findings and recommendations. Going forward, Management should ensure that all vouchers are sequentially referenced and uniquely pre-numbered, dated and authorized consistent with approved coding system during the processing of all transactions.</p>	Implemented
3	<p>Non-Explanation of Material Variances</p> <p>During the audit, we observed that Management did not include</p>	<p>The project takes note of the variances but this was largely due to delays in project implementation. The project experienced delays with the procurement of service providers and</p>	<p>We acknowledge Management's acceptance of our findings, recommendations and subsequent adjustments of the financial statements.</p>	Implemented

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No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	explanatory notes to the financial statements on the material variances between the budget and actual amounts.	recruitment of project beneficiaries this was due to the elections where the approving authorities were hardly around to approve contracts for service providers that was supposed to provide support to the implementation of project activities.		
4	Variance between Budget Amount per Approved Recast Budget and Budget Amount per Financial Statements During the audit, we observed a variance of US\$18,000.28 between Budget Amount per Approved Recast Budget and Budget Amount per Financial Statements.	Management did not respond to this audit finding.	In the absence of a response by Management, we maintain our findings and recommendations.	Not Implemented
5	Non-Remittance of NASSCORP'S Contributions During the audit, we observed no evidence of payment receipts for remittance of employees' and employer's contributions made to NASSCORP for the period under audit.	The REALISE project staff, like staff of all other World Bank financed projects, are short term consultants and not employees who are contracted for the duration of the project (usually 2-5 years). They are not civil servants, and as such are not entitled to social security benefits. So payment of any contribution to NASSCORP must be	Management's assertion did not adequately address the issues raised and is not backed by reference to 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. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented



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No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
		reflected in the project documents during design. The REALISE project documents do not have any reference on NASSCORP payment; thus, this assertion by the auditor is out of place.		
6	<p>Third-party Payments made to Staffers of the Project</p> <p>During the audit, we observed that Management made several third-party payments to staffers of the project amounting to US\$25,575.00 for subsequent disbursement rather than making direct payments to service providers or their legally authorized representatives.</p>	The PMT acknowledges this concern, however, all parties (PMT, PFMU, GAC, WB) need to hold a conversation to clearly understand what constitutes third party payment. From PMT understanding, all the activities listed above are not third-party payments. These are payments that were made to project staff to execute activities where direct payments were not possible.	We acknowledge Management's assertion. Going forward, Management should ensure payments for goods and services procured be made directly to vendors or their legally authorized representatives. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented
7	<p>Irregularities Associated with Payment of Printing Service</p> <p>During the audit, we observed that Management made payment of US\$2,157.17 for printing of LIPW beneficiaries' certificates without evidence of business registration and tax clearance certificates. See Table 6</p>	The aforementioned payment was made with all the requisite supporting documents. In the event where the auditor did not see a supporting document, it was either as a result of an inadvertent omission or documents dropping off payment vouchers during the compilation of these documents for submission to the	We acknowledge receipt of Management's supporting documents provided after our audit execution in Exhibit III . However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation, financial reporting and document management. Going forward, Management should ensure that all	Implemented



No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<p>below for details.</p> <p>We further observed that the vendor's name recorded on the check was inconsistent with the vendor per the approved contract.</p>	<p>Auditor by our support staff or oversight by the auditor who received them but included them in the Management letter (See attached Exhibit III: Payment Vouchers with Tax Clearance Certificate and Business Registration).</p> <p>Additionally, Glory Enterprise and Glory Resource Center are owned by the same individual under one company having the same address but are involved in separate lines of business (printing and sale of stationery and other retail trade). This issue was as a result of an inadvertent error made on the payment request and check. Although the check was written in Glory Enterprise's name instead of Glory Resource Center, we can confirm that the company (Glory Resource Center) has confirmed receipt of the payment. Further, we have informed the company and they have accepted to make the necessary corrections and ensure consistency in the documentation.</p>	<p>requested documents for audit purpose are submitted in a timely manner for review.</p> <p>Additionally, Management should ensure that the source and supporting documents of all transactions are comprehensively reviewed and reconciled to facilitate the completeness and accuracy of the transactions. The name of the vendor on the source documents should be consistent with the payee.</p>	
8	Discrepancy between Vendor per	Glory Enterprise and Glory Resource	We acknowledge receipt of Management's supporting	Implemented

No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<p>Check and Vendor Delivery Notes and Receipts</p> <p>During the audit, we observed a discrepancy between vendor per check and vendor per delivery notes and receipts for payment amounting to US\$5,663.04 representing the supply of stationeries. The check was written in the name of the authorized vendor: Glory Resource Center while the delivery notes and check receipt were issued by Glory Enterprise.</p>	<p>Center are owned by the same individual under one company having the same address but are involved in separate lines of business (printing and sale of stationery and other retail trade) and they have confirmed receipt of their payment. The attached receipt and delivery note were an inadvertent error that resulted from the recipient from the company issuing the receipt and delivery note from Glory Enterprise's receipt book instead of issuing the receipt from Glory Resource's receipt book. We have informed the company and they have accepted to make the necessary corrections and ensure consistency in their documentation. (See attached Exhibit IV: Payment Vouchers with Corrected Delivery Note and Receipt).</p>	<p>documents provided after our audit execution in Exhibit IV. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation, financial reporting and document management.</p> <p>Going forward, Management should ensure that all requested documents for audit purpose are submitted in a timely manner for review.</p> <p>Additionally, Management should ensure that the source and supporting documents of all transactions are comprehensively reviewed and reconciled to facilitate the completeness and accuracy of the transactions. The name of the vendor on the source documents should be consistent with the payee.</p>	
9	<p>No Certificate of Completion of Service</p> <p>During the audit, we observed that Management authorized payments amounting to US\$6,908.00 with no evidence of certificate of completion.</p>	<p>Firstly, cash paid to Orange Liberia was an advance made as per Orange Liberia rule on usage of toll free number. This amount is put on the REALISE wallet and is drawn down as calls come in from Project beneficiaries to the 3344 number.</p>	<p>We acknowledge Management's provision of documents after our audit execution in Exhibit V. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.</p> <p>Going forward, Management should ensure that</p>	Implemented



No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
		<p>The Project team has controls in place that ensure that all payments for services rendered are checked against the intended or agreed upon deliverables and a staff with full knowledge of the services rendered will attest that said service was completed as agreed. In addition, the FMO maintains payment voucher checklist to ensure that all payments carry the relevant supporting documents. In addition, PFMU has strict policy regarding service delivery and document requirements. It is understandable that manual filing does have their complications so we are pleased to resupply these certificates of completion. (See attached Exhibit V: Certificates of Completion-Royal Hotel and B. Dove Ojota Catering Service).</p>	<p>requested documents for audit purposes are submitted in a timely manner. Management should also ensure that certificates of completion are adequately documented and filed to facilitate future review.</p>	
	<p>Missclassification of Transactions in the General Ledger/Drilldown</p> <p>During the audit, we observed that personnel expenditures amounting to US\$19,362.00 for MGCSP-REALISEP were incorrectly posted to LACE-</p>	<p>Even though some of the transactions were wrongly captured under other activities, not all the transactions mentioned by the audit team were misclassified. Transactions in the amount of US\$10,744.20 (3,465.00 + 2,497.50 + 2,250 + 450</p>	<p>We acknowledge Management's acceptance of our findings, recommendations and subsequent adjustment of the financial statements</p>	<p>Implemented</p>



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	REALISEP and MYS-REALISEP programs ledgers. See Table 9 below for details:	+2,081.70) were rightly posted under their respective activities but had a wrong description; thus, necessitating the audit team to term it as 'misclassified transactions. However, the transactions that were erroneously captured have been reversed under their respective activities, and also, those with wrong descriptions have been corrected. The financial statement has been revised as well. (See attached Exhibit VI: Revised Financial Statement and Ledgers).		
10	Beneficiaries not in Business as required During the audit, we observed that several beneficiaries received the first instalment of US\$450.00 amounting to US\$45,450.00 without evidence that those beneficiaries established and maintained the businesses as required. See Annexure 2 for details:	Management acknowledges and accepts your observation and will ensure that the second tranche disbursement will not be paid to non-performing beneficiaries.	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Implemented
11	Lack of Monitoring and Evaluation Report During the audit, we observed no	The REALISE Project acknowledge your recommendation regarding the need to monitor and evaluate all	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during	Implemented



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No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<p>evidence that Management conducted monitoring and evaluation assessment of components of project consistent with the terms of the project.</p> <p>Furthermore, we observed no evidence that Management facilitated the preparation of monthly, quarterly and annual progress reports which would inform stakeholders about the status of the project.</p>	<p>project activities and periodic reports. The project considers the M&E function as crucial but was unfortunate that it lost the staff occupying the position and there were delays in the recruitment process of the M&E Officer which took some time to be completed. The project now has an M&E officer and going forward M&E reports are going to be available.</p>	<p>subsequent audit.</p>	
12	<p>No Evidence of Mid-term Review Reports</p> <p>During the audit, we observed no evidence that Management in conjunction with the World Bank Task Team and relevant stakeholders prepared mid-term reports as required by the Project Operations Manual (POM).</p>	<p>The Project acknowledges this finding but like to clarify that the intend of the provision was not intended that on the anniversary of the eighteenth month that a review will be done rather eighteen months of implementation will provide a good time to understand the issues and allow for the stakeholders to make informed decision(s). In consideration of the various stakeholders schedule, the midterm review is slated to happen this year 2024.</p>	<p>We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.</p>	
13	<p>Irregularities Associated with Fuel Management</p>	<p>Management is pleased to acknowledge receipt of your recommendation regarding the</p>	<p>We acknowledge Management's assertions and subsequent submission of some supporting documents after our audit execution. However, Management's</p>	<p>Not Implemented</p>



No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<p>During the audit, we observed the following irregularities associated with fuel management:</p> <ul style="list-style-type: none"> -No evidence of approved fuel management policy, -No evidence of fuel distribution and consumption log, -Unutilized fuel was not duly accounted for. 	<p>irregularities associated with fuel management. We would like to clarify that there are controls in place to receive fuel and distribute. Let it be established that a formal requisition is normally made by a staff making the request and signed by the disbursement officer and approved by the Project Coordinator or Deputy Project Coordinator. Fuel is issued to staff only upon requisition. Thereafter, the items issued are recorded on the fuel/Gasoline Request Booklet. Few copies of the fuel request booklets used during the period 2023 for the distribution of fuel are attached for accountability. (See attached Exhibit VIII: Fuel Report and Distribution Log).</p>	<p>provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.</p> <p>Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.</p>	
14	<p>Inadequate Records in Project Staffers' Files</p> <p>During the audit, we observed no evidence of the following essential personnel records:</p> <ul style="list-style-type: none"> -Birth Certificate, -Medical Examination Certificates, 	<p>Management notes and accepts your recommendation regarding the advertisement, interview notes and evaluation committee report. We would like to submit copies of advertisement and direct selection of staff and interview reports for your review. (See attached Exhibit</p>	<p>We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.</p>	Implemented



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No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<ul style="list-style-type: none"> -Police Clearance, -Advertisement on file, -Interview notes on file, -Evaluation committee report on file. 	<p>IX: Advertisement). Additionally, Management notes your recommendation and will ensure that employees' files are updated on a periodic basis to reflect essential personnel records; birth certificate, medical certificate, police clearance, etc are filed for future review.</p>		
14	<p>No Evidence of Meeting Minutes and Attendance Listing for Steering Committee During the audit, we observed no evidence that the Steering Committee was functional as a policy making and oversight body of the Project. We obtained no evidence of the following:</p> <ul style="list-style-type: none"> -Meeting minutes of the Committee, -Steering Committee approval for major decisions taken by Management -Steering Committee deliberation on any matter involving the project. 	<p>This observation is correct; the Project Steering Committee was unable to meet due to the 2023 campaign and election activities. The PMT did what was possible by engaging the relevant authorities to conduct the meeting, but due to their busy schedule, the meeting was never held in 2023. However, both the work plan and budget were approved by the managements of the implementing institutions (MYS, MGCSP, LACE). The PMT even highlighted the lack of PSC meeting as a major concern during the October-September 2023 World Bank mission; and it was captured in the aide memoire on page #3 titled: Component 3 -</p>	<p>We acknowledge Management's acceptance of our findings and recommendations. Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.</p>	Implemented



No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
		Capacity Building and Project Implementation and Coordination). (See attached Exhibit X: Aide Memoire).		
15	<p>No Consultation with National Leaders</p> <p>During the audit, we observed no evidence that Management conducted quarterly consultation meeting with the relevant stakeholders' and national leaders. We obtained no evidence of the following:</p> <ul style="list-style-type: none"> -Meeting minutes of the relevant authorities. -Relevant authorities' approval for major decisions taken by Management -The relevant authority's deliberation on strategic matter involving the project. 	<p>While it is true that not all the parties mentioned in the paragraph above met quarterly, there were consultations held at various levels across project components. For 2023, the period under audit, the project was only implemented in Montserrado County so the Montserrado County Steering Committee met to review and approve sub-project proposals for Components 2.</p>	Management's assertion was 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.	Implemented
16	<p>Irregularities Associated with Fixed Assets Management</p> <p>During the audit, we observed the following irregularities associated with the project's Fixed Assets Management</p>	<p>We acknowledge your finding and recommendation as it relate to irregularities associated with fixed Assets Management. The coding of assets is completed, and we are currently updating the assets registry.</p>	We acknowledge your finding and recommendation as it relate to irregularities associated with fixed Assets Management. The coding of assets is completed, and we are currently updating the assets registry. We will work to ensure asset registry are updated on a periodic basis.	Implemented



No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	<p>System:</p> <ul style="list-style-type: none"> Several of the project's fixed assets were not coded, The Fixed Assets Register was not updated, There was no evidence of movement of assets form, There was no evidence of periodic (quarterly) physical verification of fixed assets The fixed assets register did not contain all the relevant columns: depreciation expense, accumulated depreciation and net book value; Fixed assets at the given vicinity were not displayed as required by the PFM Act, No evidence of disposal of fixed assets, Some Fixed assets were not made available for verification purposes. 	<p>registry. We will work to ensure asset registry are updated on a periodic basis.</p>		
	<p>No Organisational Chart</p> <p>During the audit, we observed that Management did not develop, approve</p>	<p>Management notes your recommendation and wishes to clarify that we have an organogram which was presented to the auditors.</p>	<p>Management's assertion was not supported by documentary evidence. Management did not provide copy of the organogram for audit purposes. We will follow-up on the implementation of our</p>	<p>Not implemented</p>

No.	Observations and Recommendations	Management's Response	Auditor General's Position	Status of Recommendation
	and operationalize an organizational chart showcasing approved hierarchical structure/chain of command of the project and line of reporting.	However, we will ensure that the organogram is updated and approved.	recommendations during subsequent audit.	
17	<p>Irregularities Associated with Store Room Management</p> <p>During the audit, we observed the following irregularities associated with the inventory management system:</p> <ul style="list-style-type: none"> No evidence of approved policy to regulate inventory management of the project. Inventories were not systematically arranged on shelves and comprehensively labelled. No evidence of manual or automated inventory system comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request 	<p>Management is pleased to acknowledge receipt of your recommendation regarding the movement of supplies in and out of the warehouse. However, we would like to clarify that there are controls in place to receive supplies in and out of the warehouse. Let it be established that a formal requisition is normally made by a staff making the request and issued by officer-in-charge of store room and Approved by the Project Coordinator or Deputy Project Coordinator. Supplies and stationaries are issued to staff only upon requisition. Thereafter, the items issued on the request form is filed. Few copies of store room Request used during the period 2023 for the supplies of stationaries are attached for accountability. (See attached Exhibit XI : Requisition for Stationary Supplies).</p>	We acknowledge Management's assertion and subsequent submission of some store room requisition forms after our audit execution. However, the store room requisition form is not a substitute for a comprehensive inventory data base as recommended. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not Implemented fully



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	<p>before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies,</p> <ul style="list-style-type: none"> • No evidence of periodic physical verification of inventories/stock take. 			

